



2016 COMMUNITY REPORT HIGHLIGHTS

COMMUNITY REPORT

for the year ended December 31, 2016
The Regional Municipality of York
Ontario, Canada

york.ca



York Region



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Prepared by Corporate Services Department and Finance Department



OUR VISION

Creating strong, caring, safe communities.

OUR MISSION

York Region staff are committed to providing cost effective, quality services that respond to the needs of our rapidly growing communities.

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Chairman & CEO
Wayne Emmerson



Regional Councillor (dec.)
Danny Wheeler
Town of Georgina



Mayor
Geoffrey Dawe
Town of Aurora



Mayor
Virginia Hackson
Town of East Gwillimbury



Mayor
Margaret Quirk
Town of Georgina



Regional Councillor
Naomi Davison
Town of Georgina



Mayor
Steve Pellegrini
Township of King



Mayor
Frank Scarpitti
City of Markham



Regional Councillor
Jack Heath
City of Markham



Regional Councillor
Jim Jones
City of Markham



Regional Councillor
Joe Li
City of Markham



Regional Councillor
Nirmala Armstrong
City of Markham



Mayor
Tony Van Bynen
Town of Newmarket



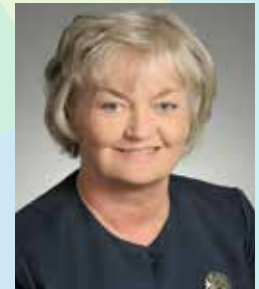
Regional Councillor
John Taylor
Town of Newmarket



Mayor
David Barrow
Town of Richmond Hill



Regional Councillor
Vito Spatafora
Town of Richmond Hill



Regional Councillor
Brenda Hogg
Town of Richmond Hill



Mayor
Maurizio Bevilacqua
City of Vaughan



Regional Councillor
Michael Di Biase
City of Vaughan



Regional Councillor
Mario Ferri
City of Vaughan



Regional Councillor
Gino Rosati
City of Vaughan



Mayor
Justin Altmann
Town of Whitchurch-Stouffville

REGIONAL COUNCIL

One of six Regional governments in Ontario, The Regional Municipality of York is an upper-tier municipal government that provides common programs and services for the residents and businesses in nine cities and towns. The area municipalities are represented by their Mayors and Regional Councillors on Regional Council.

YORK REGION CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

The York Region Chairman and Chief Executive Officer (CEO) is the head of Council. The Chairman and CEO is elected by members of Regional Council at the first meeting of each term and serves a four-year term.

The 21-member York Regional Council sets the policies, direction and budgets for York Region through Committee of the Whole and Council meetings that include reports on:

- Audit
- Community and Health Services
- Environmental Services
- Finance and Administration
- Planning and Economic Development
- Transportation Services

During Committee of the Whole meetings, members receive public input, review policies and consider staff reports before making recommendations to Regional Council.

Three task forces, drawn from members of Regional Council, also help guide the development and policy in three critical areas: Transportation, Broadband and a Seniors' Strategy.

Three boards and the corporations they oversee operate with varying degrees of Council oversight:

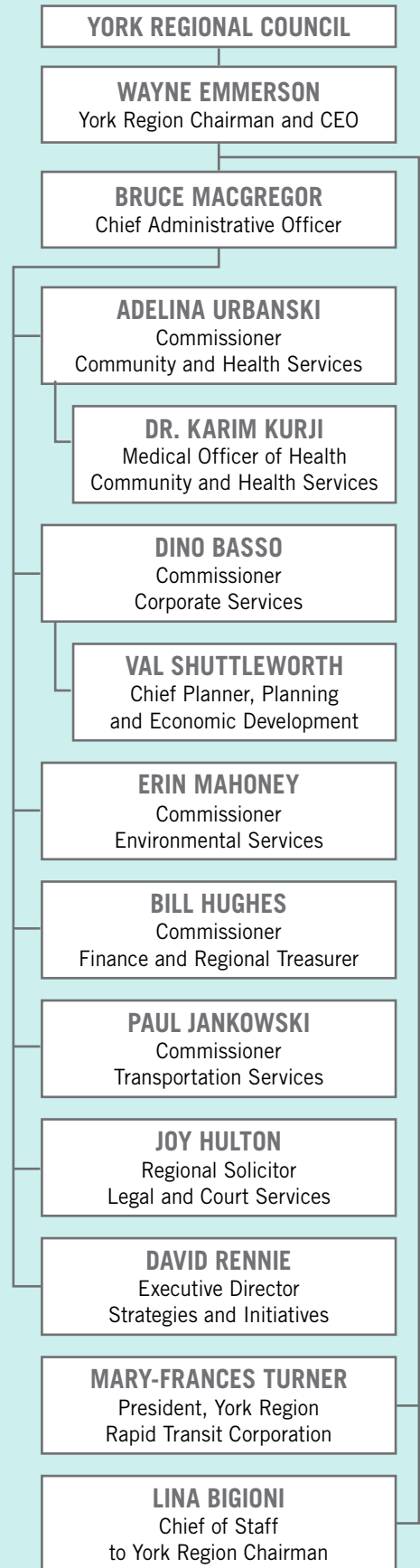
- York Region Rapid Transit Corporation Board of Directors
- York Regional Police Services Board of Directors
- Housing York Inc. Board of Directors

CHIEF ADMINISTRATIVE OFFICER (CAO)

The CAO oversees a senior management team responsible for providing programs and services to residents and businesses, in addition to financial, technical, property, legal, administrative and human resource services. The following positions make up the senior management team:

- Commissioner of Community and Health Services
- Commissioner of Corporate Services
- Commissioner of Environmental Services
- Commissioner of Finance and Regional Treasurer
- Commissioner of Transportation Services
- Regional Solicitor
- Executive Director of Strategies and Initiatives

YORK REGION ORGANIZATIONAL STRUCTURE





Wayne Emmerson
Chairman and CEO

A MESSAGE FROM THE YORK REGION CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The end of 2016 marks the halfway point of this council term. Over the past 24 months, we have made significant progress and have much to be proud of.

The accomplishments are remarkable. We celebrated the opening of the Richmond Hill Youth Hub - a multipurpose facility with housing and homelessness supports and we continued making improvements to transit and transportation services.

Additionally, in 2016, York Regional Council approved the update to two critical documents:

- The Transportation Master Plan is a blueprint for addressing our transportation and mobility needs until 2041
- The Water and Wastewater Master Plan outlines the Region's strategy to achieve water and wastewater service delivery excellence and long-term environmental and fiscal sustainability also until 2041

Updating these key strategies, combined with the many initiatives highlighted throughout this report, further demonstrates our commitment to identifying and responding to the diverse and changing needs of our communities – now and for the future.

York Region is one of Canada's fastest-growing large urban municipalities with nearly 1.2 million people and approximately 20,000 new residents moving here every year. We proudly have the second largest business centre in Ontario, and in 2016 more than 15,000 jobs were added to our local economy; exceeding both the provincial and federal averages.

We remain laser-focused on creating strong, safe and caring communities, but we can't do it alone. None of our achievements would be possible without the dedication of our staff, partners and residents.

On behalf of York Regional Council, thank you for your ongoing passion and commitment to making York Region the best place to live, work and play.

Sincerely,

Wayne Emmerson
Chairman and CEO
The Regional Municipality of York



Bruce Macgregor
CAO

A MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

On behalf of the York Region administration, it is with great pride I share The Regional Municipality of York 2016 Community Report.

The 2016 Community Report combines our year-two reporting of the *York Region 2015 to 2019 Strategic Plan: From Vision to Results* with our annual financial report.

Organized by the plan's four strategic result areas, the 2016 Community Report includes a sampling of the major accomplishments in the Council-approved objectives of:

- Economic Vitality
- Healthy Communities
- Sustainable Environment
- Good Government

The introduction to a full-cost recovery model for water use, achieving more than 90 per cent waste diversion rate and the development of a Seniors Strategy to help define our role in serving an aging population are a few key successes in 2016.

In the second year of our four-year plan, I am proud to report 85 per cent of the plan's key performance measures are on track and trending in the desired direction. In fact in some cases, we have already achieved our four-year objective within half this time. The complete list of all 48 performance measures is available on page 38.

The second part of this document includes the 2016 Treasurer's Report which provides a detailed analysis of our organization's effective business planning and strategy. It looks at trends related to a number of key indicators of financial performance and measures being taken to manage any potential risk. This section also includes information about York Region's financial management policies, including multi-year budgeting and the Regional fiscal strategy.

As York Region's CAO, I am proud of the almost 4,500 dedicated and professional staff who deliver important services across York Region. Our staff are committed to striving for excellence and ensuring residents receive the critical services we deliver across York Region each and every day.

Bruce Macgregor
Chief Administrative Officer
The Regional Municipality of York

YORK REGION. WHO ARE WE?

YORK REGION IS A SPECIAL PLACE – IT IS UNIQUELY CHARACTERIZED BY ITS RICH CULTURAL DIVERSITY, VIBRANT COMMUNITY LIFE, VAST GREEN SPACES AND LAKE SIMCOE WATERFRONT.

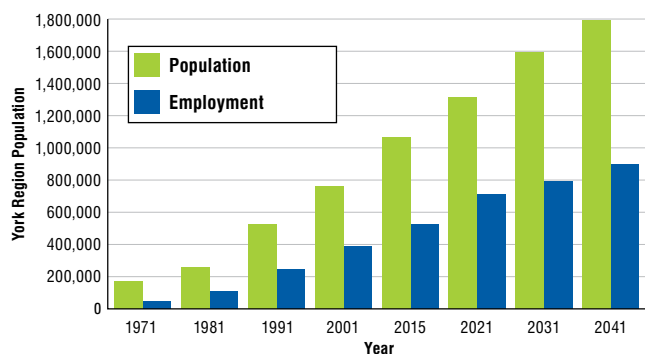
SOURCE: YORKSCENE.COM

WE ARE GROWING.

During 2016, York Region grew by approximately 20,600 people, accounting for 16 per cent of the Greater Toronto and Hamilton Area growth.

The Provincial Growth Plan calls for York Region’s population to grow from 1.1 million in 2015 to 1.8 million in 2041 and employment to grow from 580,000 in 2015 to 900,000 in 2041.

York Region Population Growth - 1971 to 2041



WE ARE EDUCATED.

More than 70 per cent of York Region residents have a post-secondary education. We rank #1 most educated population among Canada’s largest municipalities.

WE WORK HARD.

York Region is home to almost 50,000 businesses and 595,000 jobs. We are the second largest business centre in Ontario and the destination of choice for more than 4,500 Information, Communication and Technology (ICT) businesses. This makes us the second largest ICT cluster in Canada. The average household income is \$127,066 and the average cost of a detached resale home is \$1,167,889.

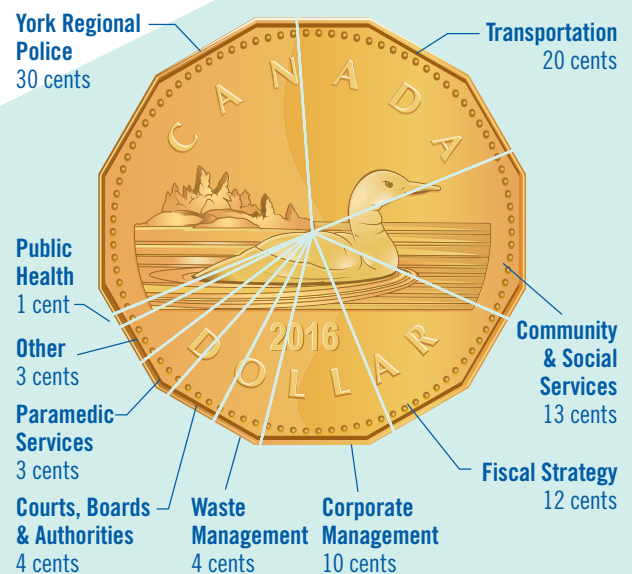
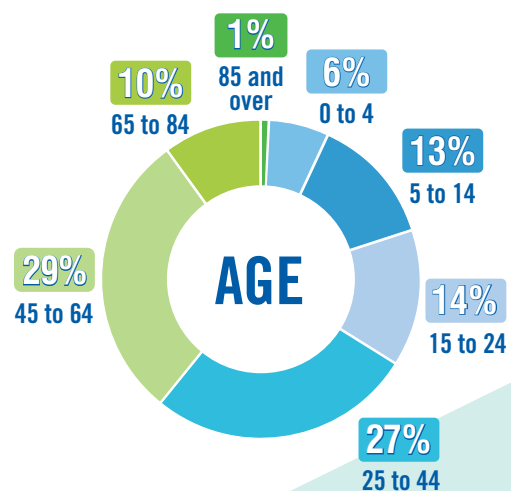
WE ARE FISCALLY RESPONSIBLE.

The 2016 York Region budget was \$2.8 billion and included \$1.2 billion to maintain and operate York Region services and \$783 million in funding for capital projects. 2016 was the second year of a four-year budget that aligns with the current term of York Regional Council and the York Region 2015 to 2019 Strategic Plan: From Vision to Results.

WE ARE DIVERSE.

If York Region were a village of 100 people this is what we would look like.

- 54** villagers would be born in Canada
- 1** villager would be a non-permanent resident
- 45** villagers would be immigrants, of these:
 - 27** would be born in Asia
 - 12** would be born in Europe
 - 4** would be born in the Americas (including North, South and Central)
 - 2** would be born in Africa



WE ARE COMMITTED TO DELIVERING QUALITY SERVICES:

- Court Services
- Family and Children's Services
- Housing
- Long Term Care
- Paramedic Services
- Planning and Economic Development
- Police Services
- Public Health
- Regional Roads & Street Trees
- Social Assistance
- Solid Waste Management
- Transit and Rapid Transit (YRT/ Viva)
- Water/Wastewater Treatment
- York Regional Forest

LAKE SIMCOE

TOWN OF
GEORGINA
POP. 48,195

TOWN OF
EAST GWILLIMBURY
POP. 25,211

DURHAM REGION

TOWN OF
NEWMARKET
POP. 87,329

TOWN OF
AURORA
POP. 59,995

TOWN OF
WHITCHURCH-STOUFFVILLE
POP. 46,271

TOWNSHIP OF
KING
POP. 25,866

TOWN OF
RICHMOND HILL
POP. 210,623

CITY OF
MARKHAM
POP. 353,899

CITY OF
VAUGHAN
POP. 329,517

PEEL REGION

CITY OF TORONTO

Total population estimates as of December 31, 2016 - 1,186,907

THE REGIONAL MUNICIPALITY OF YORK | STRATEGIC FRAMEWORK

WHAT IS VISION 2051?

Vision 2051 is York Region's long-term strategy that describes the vision for York Region in the year 2051.

Vision 2051 describes a York Region that:

- Is a place where everyone can thrive
- Is made up of livable cities and complete communities
- Has a resilient natural environment and agricultural system
- Has appropriate housing for all ages and stages
- Has an innovation economy
- Has interconnected systems for mobility
- Promotes living sustainably
- Has open and responsive governance



WHAT IS THE REGIONAL OFFICIAL PLAN?



Consistent with *Vision 2051*, the Regional Official Plan sets out directions and policies to guide growth management, land use, economic, environmental and community planning decisions.

The policies deal with growth management while protecting the Region's agricultural and rural areas, building strong healthy communities and vibrant cities. The policies also ensure effective delivery and use of infrastructure and public service facilities. The policies in the Regional Official Plan set the stage for more detailed planning with the Region's nine cities and towns and help co-ordinate planning efforts across York Region.

The Regional Official Plan guides how growth and re-development will occur and sets a course for the future we desire as envisioned through *Vision 2051*.

In February 2015, The Regional Municipality of York released its *2015 to 2019 Strategic Plan: From Vision to Results*, which outlines four areas of focus to meet the community's changing needs.

Maintaining the quality of life in York Region over the long term requires strategic focus and this plan outlines the goals we continue to strive for to achieve the longer-term goals of *Vision 2051*.

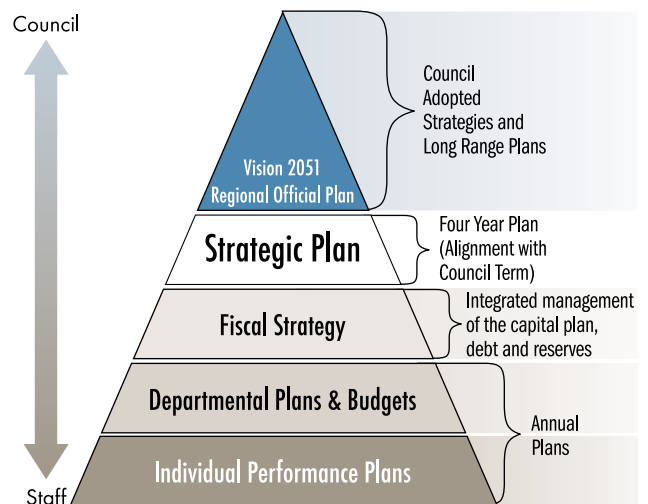
Building on the success of the 2011 to 2015 Regional Strategic Plan, the plan provides a detailed course of action over the next four years within the following four strategic result areas:

- Economic Vitality
- Healthy Communities
- Sustainable Environment
- Good Government

This plan has been carefully integrated with the Region's multi-year budget process and coincides with this term of council to ensure we continue to make progress on serving our communities.

Highlights of the 2015 to 2019 plan include:

- Managing traffic congestion within York Region
- Addressing affordable housing concerns
- Continuing to support attraction of high quality jobs to the Region
- Increasing the health and resiliency of our communities
- Achieving Regional fiscal sustainability
- Continuing to manage the Region's growth
- On-going protection of our natural environment
- Improving the way York Region's programs and services are accessed



The York Region 2016 Community Report highlights some of the successes during our second year of this plan. Using a results-based accountability model, below is a brief overview of how we are trending in the second year within each of the strategic result areas.

YEAR 2 (2016) OVERALL PROGRESS SUMMARY STATEMENT KEY REGIONAL PERFORMANCE MEASURES

A Key Regional Performance Measure demonstrates how well a York Region program or service system is working and helps indicate whether the desired impact is taking shape as a result of the Region's focused efforts. York Region has made significant progress in Year 2 (2016) of its four-year Strategic Plan. In total, 41 of 48 Key Regional Performance Measures (85 per cent) are trending in the desired direction. These achievements demonstrate strong, organized and collaborative efforts across the organization and in relationship to Council's direction. The complete list of all 48 indicators is available on page 38.

85%
of Key Regional Performance Measures are trending in the desired direction



ECONOMIC VITALITY

Strengthening the Region's economy is trending positively by fostering an environment that attracts, grows and maintains businesses; supporting the development and retention of Region-wide workforce; and focusing on networks and systems that connect people.



HEALTHY COMMUNITIES

Supporting community health and well-being is continuing to show progress through increasing the range of available and affordable housing choices; protecting our public health; making our communities more welcoming and inclusive; and strengthening the Region's network of human services to support people in achieving their potential.



SUSTAINABLE ENVIRONMENT

Managing environmentally sustainable growth has made significant gains towards managing traffic congestion; optimizing critical infrastructure systems capacity; encouraging growth along the Regional Centres and Corridors; and preserving green spaces.



GOOD GOVERNMENT

Providing responsive and efficient public service has achieved considerable progress towards making it easier to access Regional information and services; ensuring a fiscally prudent and efficient Region; stewardship of the Region's assets; and strengthening organizational capacity and effectiveness.

strengthening the region's economy

BRINGING MORE JOBS CLOSER TO HOME

Reinforcing York Region's emerging position as a global technology hub, General Motors announced it is bringing a new automotive software development centre to Markham. The centre will help develop innovative technologies to support emerging concepts such as autonomous and shared vehicles and mobility systems (self-driving cars).

The global automotive firm joins an increasing number of companies making high-tech investments in York Region. Other major employers, including Aviva Canada's new Canadian head office and KPMG Canada's new regional office are also making business investments in the Region. Collectively, these investments mean thousands of new jobs for the Region.

Investments like these helped boost York Region employment by 3.1 per cent between 2015 and 2016, bringing the total to almost 600,000 jobs by mid-year 2016. The growth trend continues over the past several years with the Region's gains outpacing national and provincial averages. As well, in 2016 the Region's growth at 3.1 per cent outpaced the national, provincial and Greater Toronto Area averages.

The Region continues to work with its local municipalities and potential investors to promote York Region's unique position in the Greater Toronto Area as a place where talent and opportunity intersect.

Reasons for businesses to choose York Region as a location include its investment in modern infrastructure and rapid transit, commitment to complete communities and strong economic development strategy. Investors also point to its diverse and highly skilled and educated workforce and the availability of globally competitive banking, financing, engineering, design, technical and commercialization services.

An attraction for highly-skilled workers is the share of full-time jobs in York Region, which is an important labour market indicator of economic performance. At over 70 per cent of jobs being full time, the Region continues to demonstrate strength in this area. As the structure of the economy and people's work preferences change, the share of part-time, contract, seasonal and temporary jobs is increasing.

As in previous years, the services-producing sectors accounted for the largest share of jobs at 77 per cent in the York Region workforce. The total share of services-producing sector jobs has risen from 73 per cent in 2006 to 77 per cent in 2016, reflecting a shift in the Canadian economy as a whole.

Among the service sectors, the largest job gains have been in the health care and social assistance sector. These jobs include physicians, dentists and other health care practitioners. Between 2015 and 2016, this sector gained the largest absolute number of jobs, some 2,400. Over the past 10 years, its average annual rate of growth has been 7.8 per cent.

Growth in this sector creates new opportunities for innovation in the Region. Examples include the CreatelT Now accelerator, ORION at Southlake Regional Health Centre, the new Mackenzie Vaughan Hospital and Mackenzie Health Centre, Vaughan International Commercialization Centre, Leo Innovation and the Pulse hub accelerator at venture LAB.

Finance and insurance added a net 13,300 jobs over the past 10 years, growing at an annual rate of seven per cent. York Region is home to corporate or divisional back-end operations, such as processing and call centres, of many financial institutions, as well as hundreds of branch-level places of employment. In total, York Region's financial sector consists of roughly 27,000 jobs.

In 2016, the finance and insurance sector experienced an increase of 990 jobs, or 6.4 per cent, and key firms from this sector continue to locate in the Region.

Over the long term, the online, self-serve services, automation and other new technologies are likely to reduce traditional finance sector employment, which will be only partially offset by growth in jobs in information and communications technology.

The professional, scientific and technical services sector includes subsectors such as information technology, legal services, accounting, engineering and technical services, architectural and interior design services, management consulting and research and development. This sector continues to attract highly skilled workers to York Region, which is home to major operations of such global companies in this sector as IBM, AMD, Huawei, Deloitte, AECOM, Parsons, Worley Parsons, Oracle, Compugen, Pricewaterhouse Coopers and MMM Group. In 2015-2016, several national consulting engineering firms relocated to or established an office in the Region.

Despite a continuing growth trend in service-sector jobs, York Region continues to provide a higher share of goods-producing jobs than either Ontario or Canada as a whole, largely due to automotive sector and construction activity in the Region.

Manufacturing remained the Region's largest single employer, accounting for 15 per cent of jobs in total. Despite the economic shift to a more service-based economy, employment in the Region's goods-producing sector grew 2.7 per cent or 3,200 jobs between 2015 and 2016. The manufacturing and construction sectors were the greatest contributors to this growth.

The automotive industry represents a key manufacturing sub-sector, with more than 100 auto parts firms in York Region providing about 15,000 jobs.



supporting community health and well-being

AFFORDABLE HOUSING AND SOCIAL ENTERPRISE SPACE

York Region continued to make progress on its 10-year housing strategy in 2016 with the opening of the Richmond Hill Hub marking a key milestone.

The nine-storey, multi-purpose building is located on Yonge Street just north of Crosby Avenue, providing easy access to highways, transit, shopping, restaurants, parks and schools. It offers a total of 202 apartments, 16 of which are accessible for seniors, singles and small families with a mix of incomes.

Features include a multipurpose room, a roof-top patio and garden and a spacious lobby with a fireplace and living wall.

On the ground floor, 360°kids, an experienced provider of services for youth in the Region, operates

a program for young people that provides a full range of supports to help them avoid homelessness or move from homelessness to independent living.

The new building, which also includes market-rent units and is intended to be financially self-sustaining, joins Belinda's Place in Newmarket as major early successes under the 10-year housing plan.

The 10-year housing plan responds to growing pressures on the accommodation market in the Region. This is due to York Region's low vacancy rate of 1.5 per cent (a healthy market should be at three per cent) and rising real estate values. In 2016, residential housing prices in York Region climbed by more than 25 per cent.

BOOSTING POWER THROUGH IMMUNIZATIONS

New provincial direction and technology made 2016 a busy year for York Region's public health unit, requiring a massive effort to ensure thousands of students were vaccinated and their records entered into a new database.

Following up on a 2015 review of its vaccination programs, the provincial government stressed to municipalities the importance of enforcing the Immunization of School Pupils Act, which requires students to be immunized against a range of diseases.

The Region is home to more than 190,000 elementary and secondary school students, which created a challenge for enforcement. York Region Public Health focused the 2015-2016 school year on getting nearly 8,000 17-year old students in compliance with the act as it was the last chance before the bulk of these students left the system. By running after-school and evening clinics and reaching out to parents in a variety of ways and languages, the Region ensured 99 per cent of these students were up to date by the end of the school year.

At the same time, the Region enhanced its record-keeping of vaccines.

As part of its renewed emphasis on vaccination, the province introduced a new, on-line database allowing records to be updated in real time, for example at a school clinic. It can also be shared by different school boards and serve as an inventory control system. These features reduce errors, duplication and waste. Switching to a new system has resulted in cleaner and more complete records.

NEW STRATEGY HELPS KEEP SENIORS CONNECTED AND HEALTHY

Seniors are the fastest-growing age group in York Region, which means by 2031 one in five residents will be over 65. A new Seniors Strategy, drawn up by a task force formed in 2015 and endorsed by Regional Council in November 2016, is helping the Region and its partners to prepare for this shift.

Developing the strategy involved talking about the opportunities a growing seniors' population creates, as well as the challenges if seniors are isolated or in poor health, which is an increasing risk after the age of 75. It prompted the task force and Regional staff to think differently about seniors: to understand that

most are both willing and able to remain healthy, active and connected, and the Region's role is to support that aim.

The strategy identifies four major roles for the Region around the seniors' population and will be phased in over the next five years. Specific actions include:

- Educating people about being prepared financially for retirement and about how to navigate the many programs that support seniors
- Looking at eligibility for programs and services based on criteria like income instead of age
- Expanding existing prevention programs and identifying needed new ones
- Working with partners on hubs where services needed by seniors will be located in one place
- Offering more housing options for those who wish to age in place
- Looking for ways to enhance and better coordinate transit services for seniors

As well as setting out actions, the strategy also discusses the Region's advocacy with other levels of government.

#GET2UFASTER

Despite rising call volumes, York Region's paramedics are getting patients to hospital faster and hospitals are reducing transfer delays once they arrive.

Since 2010, the volume of calls handled by paramedics has risen by more than 30 per cent, owing to an increase in the overall population and more specifically the seniors' population. Despite the higher call volume and heavier road traffic, paramedics emergency response to patients in nine out of 10 cases was within 10 minutes and 36 seconds in 2016. That's an improvement of almost three minutes since 2010. This improved performance has allowed Paramedic Services to meet the approved Response Time Performance Plan targets.

The other important factor that has supported response time performance over that period is the reduction of time taken to transfer a patient into hospital care. This time has dropped at all hospitals in the Region significantly since 2010. This enables paramedics to get back into service more quickly to help other patients in the community and meet response time targets.



managing environmentally sustainable growth



VIVA RAPIDWAYS

The new Viva rapidway segment along Davis Drive enjoyed its first full year of service in 2016, with passengers benefiting from quicker travel along the designated bus-only middle lanes. Since the 2.6-kilometre rapidway segment opened in late 2015, passenger volumes are up and travel time is down.

In 2016, Viva services experienced the highest overall ridership increase with 470,000 additional boardings; an average of 35,000 travellers per weekday in 2016.

In the Town of Newmarket, Viva yellow on Davis Drive completed its first full year of service and carried an average of 1,300 travellers per weekday. The Davis Drive rapidway makes it easier for staff, patients,

visitors and volunteers to get to Southlake Regional Health Centre as well as delivering passengers to offices, restaurants, shops and residential areas.

The new segment on Davis Drive brings the total Viva rapidway network to almost nine kilometres. Viva is complemented by York Region Transit (YRT) buses that make more frequent stops and by Mobility Plus, which provides service to residents with disabilities who cannot use the other bus services for their full trip.

All three services, together known as YRT/Viva, are integrated and passengers can transfer from one to another.

Providing travel options is vital to improving the traveller experience. As more Viva rapidways are built throughout the Region, YRT/Viva is a growing viable alternative ensuring transit users arrive at their destination more quickly and reliably, and they can connect easily to other modes of transportation.

Those other modes will soon include the extension of the Toronto-York Spadina Subway Extension into York Region – with stops at Pioneer Village, the intersection of Highway 407 and Highway 7 and the Vaughan Metropolitan Centre (VMC). Work is also underway to connect to the subway with bus terminals at the VMC and Pioneer Village.

PLANNING FOR TODAY, TOMORROW AND OUR FUTURE

The Region worked to update three long-term plans in 2016, all of which are fundamental to accommodating expected growth in population and jobs out to 2041. Updates to the Transportation Master Plan and the Water and Wastewater Master Plan are discussed in more detail below and on page 29, respectively.

Much of the work to update the York Region Official Plan, which provides population and employment forecasts and outlines the policies to guide growth, economic, environmental and community planning decisions, was completed in 2016. The final update is awaiting the province's decisions on amendments to its Growth Plan for the Greater Golden Horseshoe, which was also under review in 2016.

The amendments to the provincial plans will have major impacts on how the Region will grow. The Growth Plan sets minimum thresholds for how much new development must take place within existing built-up areas – referred to as “intensification” – and targets for population and employment density. The proposed Growth Plan amendments would increase both intensification and density targets for York Region.

In its response, the Region advised the province that the proposed targets were challenging, given the York Region forecast population of 1.79 million by 2041. Moreover, the increased targets were being proposed without enough provincial investment in the infrastructure required to support existing planned levels of intensification.

The province is currently assessing all feedback it received on the proposed amendments.

York Region moved forward on a top transit priority in 2016 with the launch of a campaign to educate residents and rally them to support the Yonge Subway Extension to Highway 7 in the Town of Richmond Hill, which will serve the transportation needs of this intensifying area, and facilitate economic growth.

Better integrated public transit is a key pillar of the Region's Transportation Master Plan, which was updated and endorsed by Regional Council in 2016.

The updated Transportation Master Plan addresses this with five major pillars:

1. Create a World-Class Transit System
2. Develop a Road Network Fit for the Future
3. Integrate Active Transportation in Urban Areas
4. Maximize the Potential of Employment Areas
5. Make the Last Mile Work



AHEAD OF SCHEDULE ON MEETING WASTE DIVERSION RATES

York Region reached a major goal of its Regional Official Plan in 2016, exceeding 90 per cent waste diversion from landfill. In addition to materials that are recycled, reused and composted, the diversion from landfill figure includes 111,849 tonnes of waste processed at energy-from-waste facilities, approximately 29 per cent of which was processed at the new Durham York Energy Centre.

The Durham York Energy Centre is jointly owned by York Region and Durham Region and can process up to 140,000 tonnes per year of garbage that remains after waste diversion programs and recover energy and recyclable metals. At full capacity, the facility generates enough electricity to power roughly 10,000 homes while complying with the most stringent environmental standards in the industry.



providing responsive and efficient public service

TOP EMPLOYER FOR YOUNG PEOPLE AWARD

York Region was selected in 2016 for the designation of one of Canada's Top Employers for Young People 2017. The selection reflects several initiatives the Region has taken to encourage younger people to join its workforce and to develop their skills:

- The Region's Accelerated Advancement for Analysts – or Triple A – program provides recent graduates of relevant Master's programs with real-world experience. Through the two-year rotational program, analysts work in several areas of the Region's finance department, including budget development, treasury, financial reporting, procurement and information technology services.
- The finance department recently launched a three-year pilot

initiative to allow candidates with fewer years of experience to be considered for certain positions in the department, with incremental pay increases as experience, knowledge and skills grow.

- The Region pays up to \$1,500 in tuition subsidies each year for employees taking job-related courses. Other supports for career development include in-house and online training, in-house career planning services, mentoring, leadership training and an online employee skills inventory.

Encouraging the hiring and development of younger employees is important for the Region which, like many Canadian organizations, is expecting many workers among the large baby boomer cohort to retire in the next few years.



CONSTRUCTION OF YORK REGION'S NEW ADMINISTRATIVE CENTRE ANNEX BEGINS

To better serve York Region residents, construction of a new community facility is underway in the Town of Newmarket at the corner of Yonge Street and Eagle Street.

Once open in 2020, the York Region Administrative Centre Annex will provide residents with better access to community, health and court services in one central location.

The eight-storey, 422,000 square-foot facility will offer the following public services:

- Public health clinics
- Social and housing services and Ontario Works
- Provincial Offences Act courts
- York Small Business Enterprise Centre
- Access York contact centre

Located next to York Region's Administrative Centre headquarters – the Annex will create a civic campus within an established government district. The close proximity of the buildings is expected to improve business synergies and create operational efficiencies.

Over a 30-year period, York Region expects to realize significant savings by consolidating a variety of satellite locations throughout Newmarket to the Annex, rather than continuing to lease or invest in aged owned facilities.

REGIONAL EMPLOYEES SUPPORT A VERY SUCCESSFUL 2016 UNITED WAY CAMPAIGN

York Region and York Regional Police raised a total of \$575,088 for the United Way in 2016, exceeding their employee campaign goal by more than \$95,000.

The success of the campaign was recognized with the United Way Leadership Spirit Award, given to an organization demonstrating creative and effective methods of attracting and increasing fundraising dollars.

Regional employees have raised more than \$4.3 million over the past two decades to support critical United Way programs and agencies that improve lives locally.

The United Way Toronto & York Region brings a wide range of partners together to create community-led solutions in three priority areas: helping kids be all they can be, moving people from poverty to possibility and supporting healthy people and strong neighbourhoods.

The 2016 campaign raised a total of \$102 million, the charity's highest achievement to date. It was also the largest United Way campaign in the world.



2014

2015



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

The Regional Municipality of York
Ontario

Jeffrey A. Lane
Executive Director / CEO

THE REGIONAL MUNICIPALITY OF YORK | AWARDS AND HIGHLIGHTS



HEALTHY COMMUNITIES

Baby Friendly Initiative (BFI) Designation from the World Health Organization and United Nations Children’s Fund (UNICEF); recognized for continuing to make efforts to improve care for pregnant women, mothers and newborns.

Innovation Award from the Ontario Non-Profit Housing Association for the Richmond Hill Hub; recognized as a shining example of the mixed-use, community hub model in affordable housing.

Silver certification in the Canada Awards for Excellence Program under the Excellence, Innovation and Wellness Standard from Excellence Canada; recognized for leadership, governance, planning, processes, social responsibility, partners, suppliers, customers, employees and results.



SUSTAINABLE ENVIRONMENT

Leadership in Energy and Environmental Design (LEED) silver certification from the Canada Green Building Council for York Region Transit’s Operations, Maintenance and Storage Facility; recognized for achieving high performance in key areas of human and environmental health.

Public Project of the Year by the Ontario Public Works Association Awards for the Bill Fisch Forest Stewardship and Education Centre; recognized for being built to the world’s strictest environmental standards.

Corporate Leadership Award from the Canadian Urban Transportation Association (CUTA) for the Transit Network Consultation campaign.

Outstanding Achievement in Fleet Management from the North American Fleet Association; recognized for outstanding achievements, accomplishments and innovation in fleet management.

Exemplary Source Water Protection Award from the American Water Works Association; recognized for establishing and maintaining source water protection programs that account for their unique local conditions, incorporate the interests of stakeholders and reflect sustainable long-term commitments.



GOOD GOVERNMENT

Leadership Award from the United Way Toronto and York Region; recognized for demonstrating creative and effective methods of attracting and increasing fundraising dollars.

Excellence in Municipal Systems Award – Self Serve Data Depot by the Municipal Information Systems; recognized for the York Info Partnerships and Open Data Program.

Corporate Communications Department of the Year plus three Awards of Excellence and nine Awards of Merit by the International Association of Business Communicators; recognized for communications excellence throughout the Greater Toronto Area.

Distinguished Budget Award from the Government Finance Officers Association (GFOA) for the 12th consecutive year in preparing high quality budget documents that meet best practices set out by the GFOA.

Canadian Award for Financial Report (CANFR) and the Popular Annual Financial Reporting Award (PAFR) from the Government Finance Officers Association (GFOA) for preparing high quality financial reporting documents that promote accessibility and understandability of financial information.

High credit ratings from two international rating agencies. Moody’s Investors Service assigned its top Triple A rating – Aaa – for 16th consecutive year. Standard & Poor’s Financial Services LLC reaffirmed York Region’s “AA+” credit rating.

KEY REGIONAL PERFORMANCE MEASURES YEAR 2 (2016) PROGRESS

41 OF **48** = **85%** of Key Regional Performance Measures are trending in the desired direction

3 of 48 measures are not trending in the desired direction
4 of 48 measures are waiting for current data



ECONOMIC VITALITY TREND

Increase percentage of business engagements resulting in business retention, expansion and attraction	●
Increase percentage of business engagements with targeted business sectors	●
Increase percentage of businesses in services-producing sector	●
Increase number of road lane kilometres new and rehabilitated	●
Increase number of rapidway lane kilometres	●
Decrease average time on social assistance	▲
Increase percentage of employment land within 1 kilometre of 400-series highways	▲
Increase percentage of employment land within 500 metres of a transit stop	▲



HEALTHY COMMUNITIES TREND

Increase number of subsidized households	●
Increase percentage of total housing stock medium/high density residential housing	●
Increase number of households that receive housing assistance	●
Increase number of shelter beds	●
Increase number of vaccines administered	●
Maintain percentage of samples that meet Ontario drinking water standard	●
Increase number of bike lane and paved shoulder kilometres	●
Maintain or grow number of individual and collective actions of the Human Services Planning Board	●
Maintain per capita investment of the Community Investment Fund	●
Decrease number of long term care residents transported to hospital	●
Reduction in mental health crisis calls to 911	●

LEGEND

- - Trending in the desired direction
- - Annual variation not in the desired direction
- - Not trending in the desired direction for > 2 years
- ▲ - Waiting for current data



SUSTAINABLE ENVIRONMENT TREND

Increase number of road lane kilometres new and rehabilitated	●
Increase number of traffic signals reviewed and optimized annually	●
Increase number of rapidway lane kilometres	●
Maintain percentage of treated water returned to environment within regulated standards	●
Reduce quantity of inflow and infiltration in Regional and local wastewater systems	●
Measure percentage of capital budget spent on renewal/asset management	●
Increase percentage of solid waste diverted from landfill	●
Decrease average residential water demand	●
Increase percentage of new development located in Regional Centres and Corridors	●
Increase percentage of new non-residential development located in Regional Centres and Corridors	●
Maintain percentage of York Region land subject to environmental protection policies	●
Increase transit ridership per capita	●
Increase number of trees and shrubs planted annually through the Regional Greening Strategy programs	●
Increase number of hectares of environmental lands secured through the Regional Greening Strategy programs	●



GOOD GOVERNMENT TREND

Increase number of staff using the Customer Relationship Management technology system	●
Increase number of services available online	●
Increase number of data sets available online	●
Increase number of social media followers	●
Increase percentage of business continuity plans tested annually	●
Increase reserve to debt ratio	●
Maintain high credit rating	●
Increase percentage of invoices paid within 30 days	●
Increase contribution to asset replacement and rehabilitation as percentage of replacement value	●
Increased percentage of assets with real condition assessment data	●
Maintain criteria to achieve top employer recognition(s)	●
Increase number of corporate-wide call types handled by Access York	●
Increase number of visits to Regional websites	●
Increase percentage of Formal Freedom of Information Requests handled within 30 days	●
Measure leadership and management skills gap index	▲



Bill Hughes
Commissioner of Finance
and Regional Treasurer

MESSAGE FROM THE COMMISSIONER OF FINANCE AND REGIONAL TREASURER

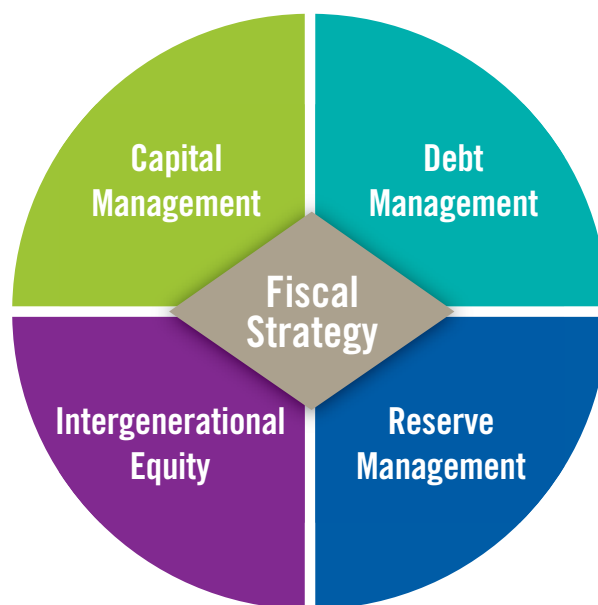
To the members of York Regional Council, residents and ratepayers of The Regional Municipality of York:

I am pleased to present this report on York Region's financial performance for the year ended December 31, 2016.

It discusses our financial results for the year and includes highlights of our consolidated financial statements contained in the 2016 Community Report that can be found at york.ca/annualreports. The consolidated financial statements have been prepared in compliance with legislation and on a basis consistent with Canadian public sector accounting standards. York Region's external auditors, KPMG, have expressed their unqualified opinion that the financial statements fairly present the financial position of York Region as of December 31, 2016.

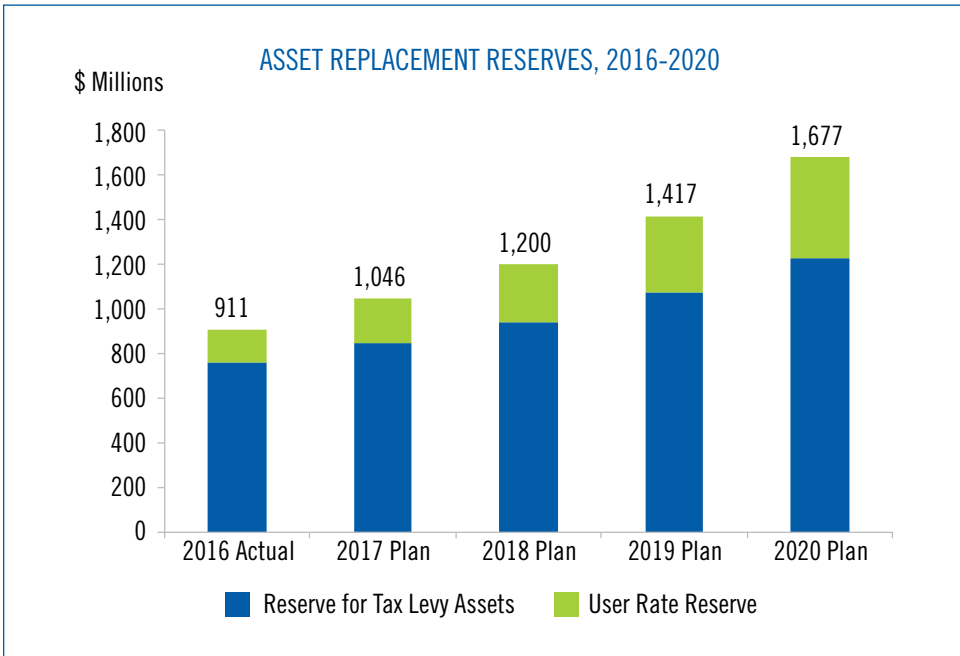
THE REGIONAL FISCAL STRATEGY

The Regional fiscal strategy, which was adopted in 2014 and refined in 2015 and 2016, was a key element underlying the Region's financial activities in 2016. It aims to integrate and link three distinct but related strands of activity to help ensure financial sustainability and intergenerational equity: managing the capital plan, saving for the future by building reserves, and reducing reliance on debt.



The need to invest in capital to provide infrastructure to serve future population and employment growth is a major driver of the fiscal strategy. Capital planning must also take into account the need to renew and ultimately replace capital assets, for which funding must come from sources other than development charges. In the past, debt was required for some renewal and replacement projects, but the Regional fiscal strategy has eliminated this need by improving planning, increasing the use of reserves and enhancing reserve contributions. The Region also reduced planned spending in its 10-year capital plans in 2013, 2014 and 2015 to mitigate the risk of slower development charge collections, which could result in higher debt and interest costs and less fiscal flexibility.

The Regional fiscal strategy is also ensuring adequate reserves are available for building new assets, as well as renewing and replacing them. In 2017, the contribution will grow by 2.0 per cent of the previous year's tax levy. In addition, for water and wastewater assets, Regional Council has approved increases in user rates. Starting in 2021, increased rates are expected to cover the entire cost of providing services, including funding reserves for water and wastewater renewals and replacements. The graph on the following page, reflecting 2016 results and the 2017 budget, shows how asset replacement reserves are expected to grow as a result of the fiscal strategy.



RESULTS FOR 2016

In 2016, York Region recorded a surplus of \$509.1 million on the full accrual basis of accounting. This was \$29.5 million lower than the expected surplus of \$538.6 million. It was also \$205.3 million lower than the \$714.4 million surplus recorded in 2015. The 2015 surplus reflected a one-time increase of \$234 million arising from financial arrangements between the provincial transit agency, Metrolinx, and the Region. Results in 2016 were consistent with the average annual surplus of \$463.2 million over the past five years.

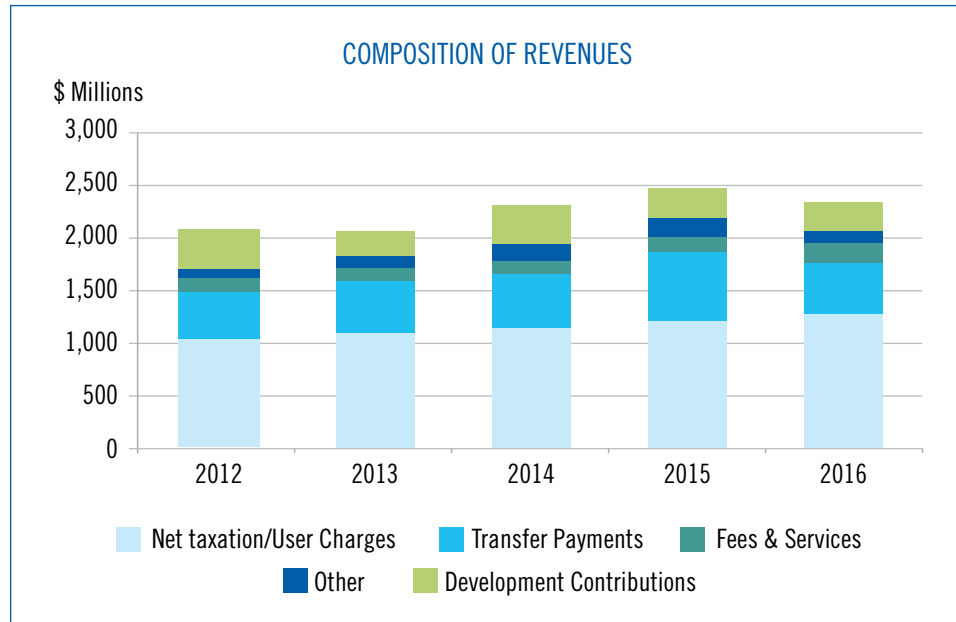
Putting in place infrastructure to meet the needs of growth while maintaining the Region's fiscal health is a top priority. The increase in capital assets totalled \$648.1 million in 2016. More than 80 per cent was for road, transit and water and wastewater assets.

Net cash inflows from financing activities amounted to \$150.2 million. This was down by \$50.7 million from the \$200.9 million of the previous year, and well below the average of \$284.2 million a year over the past five years. These results reflect the Regional fiscal strategy, which is improving the Region's financial sustainability by reducing its reliance on debt.

Between 2015 and 2016, revenues fell by \$128.5 million, while expenses grew by \$76.8 million. The drop in revenue was mainly due to decreased capital construction activity, while the increase in expenses was primarily driven by the need to serve a larger population. A more fulsome discussion on revenues and expenses can be found in the following sections.

In \$000's	2012	2013	2014	2015	2016
Revenue	2,077,989	2,057,793	2,316,721	2,482,887	2,354,360
Expenses	1,594,611	1,765,803	1,999,677	1,768,505	1,845,283
Annual Surplus	483,287	291,990	317,044	714,382	509,077

REVENUES



Revenue for 2016 was \$2,354.4 million, a decline of 5.2 per cent from \$2,482.9 million a year earlier. This was mainly the result of reduced revenues related to a drop in capital construction activity. With less activity, less funding was needed.

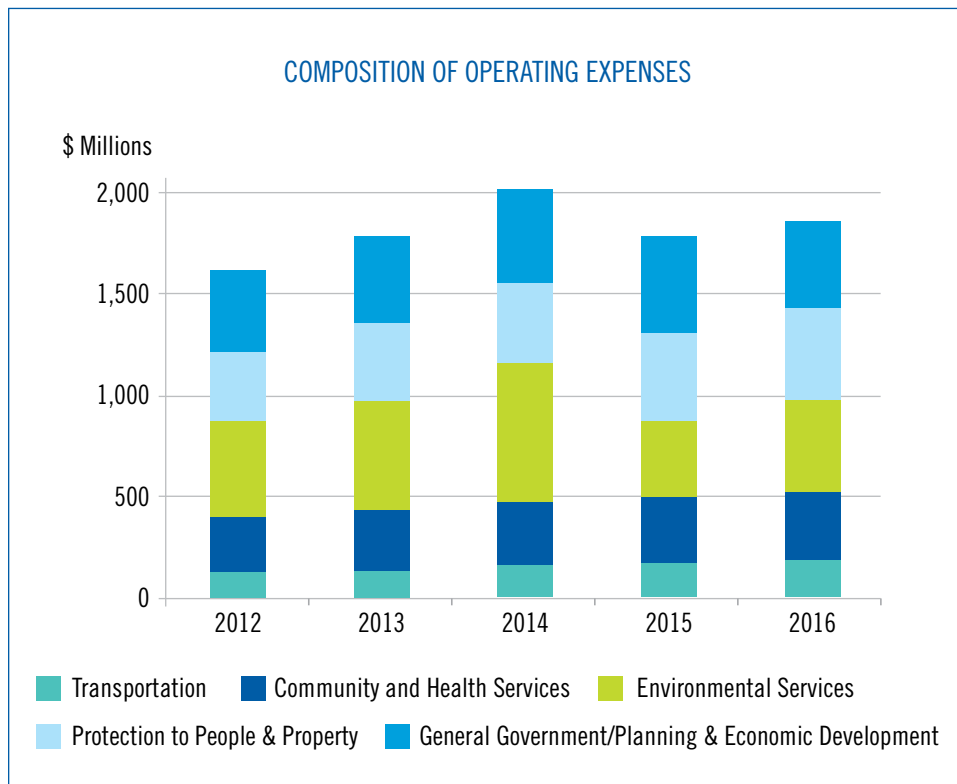
The Region's largest sources of revenue are net taxation and user fees for water and wastewater services. These two components of revenue rose by \$63.5 million in 2016 to reach \$1,277.9 million. The increase was made up of gains of \$40.8 million in taxation revenues, reflecting the approved tax levy increase of 2.85 per cent and assessment growth of 1.76 per cent, and \$22.7 million in user fees, owing mainly to approved water and wastewater user rate increases.

Transfer payments declined by \$162.1 million from 2015 to 2016. This was largely due to a decline of \$134.8 million in provincial grants and \$26.4 million in federal grants for transit projects, reflecting completion of major elements of the projects being funded. These declines were partially offset by increases in other transfer payments, particularly for child care.

Development charge contributions grew by \$2.4 million in 2016 to \$283.4 million. In the past two years, development charge contributions have been relatively stable, at 11 per cent in 2015 and 12 per cent in the year just ended, mainly because funding needs tapered off as several major growth-related capital projects were being completed. Other revenues fell by \$25.4 million, largely reflecting a decline in capital recoveries for work done on behalf of local municipalities.

For a detailed look at the Region's sources of revenue for 2016, please see the graph on page 34.

EXPENSES



Expenses in 2016 rose by \$76.8 million, or 4.3 per cent, from 2015 to reach \$1,845.3 million. The increase was mainly because of the need to serve a larger population.

Transportation spending increased by \$73.8 million in 2016. This was largely attributable to a \$42 million increase in expenses from the Metrolinx projects. The balance of the increase, which totalled \$32 million, related to operating and maintaining a larger road network and transit system.

Environmental Services spending grew by \$24.2 million, reflecting higher amortization expense on a larger asset portfolio and higher interest expense and payroll costs, partially offset by a reduction in operating costs.

Spending by Community and Health Services fell by a reported \$47.7 million. Social housing expense fell by \$73.2 million, reflecting a change in accounting methodology for capital projects completed for Housing York Incorporated. Excluding those results, Community and Health Services expense went up by \$25.6 million, reflecting additional spending on programs for children, which was fully funded by increased provincial transfers, as well as a greater demand for its other programs.

Other expenses increased by \$19.0 million, owing mainly to higher employment-related benefits. For a detailed look at the Region's operating expenses for 2016, please see the graph on page 34.

OUTLOOK

Alternating periods of higher and lower growth have characterized the Region since its formation. The current cycle of lower-than-expected development charge collections is due to a number of factors, including slower-than-expected population growth and changes in housing types and employment densities. While the Region works to manage this current situation, in the longer term it must address growth targets set by the provincial Growth Plan for the Greater Golden Horseshoe. The possibility that the amount and timing of actual growth may differ from the provincial forecast is a risk factor for the Region and adds a layer of complexity to long-term fiscal planning. York Region is managing these risks through the Regional fiscal strategy, especially by putting in place a more rigorous capital planning framework, and strengthening its debt management plan.

Growth and urbanization have impacts on the spending side that must be properly managed. Without effective transit, for example, increasing urbanization will inevitably create more traffic congestion. The Region itself does not have the resources to build the comprehensive rapid transit system needed to support the higher population density foreseen in the provincial Growth Plan. This makes provincial and federal support for rapid transit essential. Such assistance would support economic growth and provide benefits beyond the borders of the Region.

As the Region grapples with the need to fund growth-related infrastructure, manage its large existing asset base and provide quality services, it is clear that current revenue sources are inadequate for achieving long-term financial sustainability. The property tax increases and additional debt needed to meet these costs over the foreseeable future are not likely to be acceptable. Implementing revenue measures similar to those that already exist in Toronto, which would require a change in provincial legislation, could generate significant revenues to fill the fiscal gap and help put the Region on a path to long-term sustainability.

In addition to the above, there are other risks that may impact Regional performance and operations that are discussed in the 2016 Community Report. Through its strategic framework for financial management, including the Regional fiscal strategy and other financial plans and policies, the Region continues to mitigate and manage these risks.

CONCLUSION

The financial indicators and trends show that York Region is making progress on its goals of serving growth, saving for future needs and achieving financial sustainability. Regional policies are helping the Region manage the risks and pressures related to growth, but provincial action is key to giving the Region access to the revenue options likely to be needed in the longer term for financial flexibility.

Our progress to date has depended on the knowledge and expertise of a very large number of people at the Region and elsewhere, as well as their strong commitment to working together on solutions. Together, we are working toward the important goals of a fiscally prudent and efficient Region and stewardship of its assets.

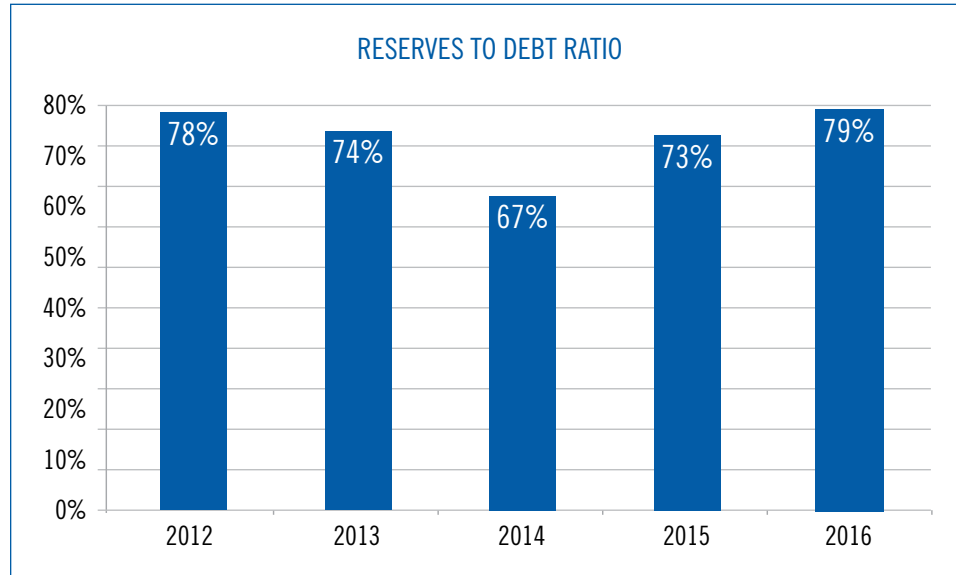
Sincerely,

A handwritten signature in black ink that reads "Bill Hughes". The signature is fluid and cursive, with the first letters of "Bill" and "Hughes" being capitalized and prominent.

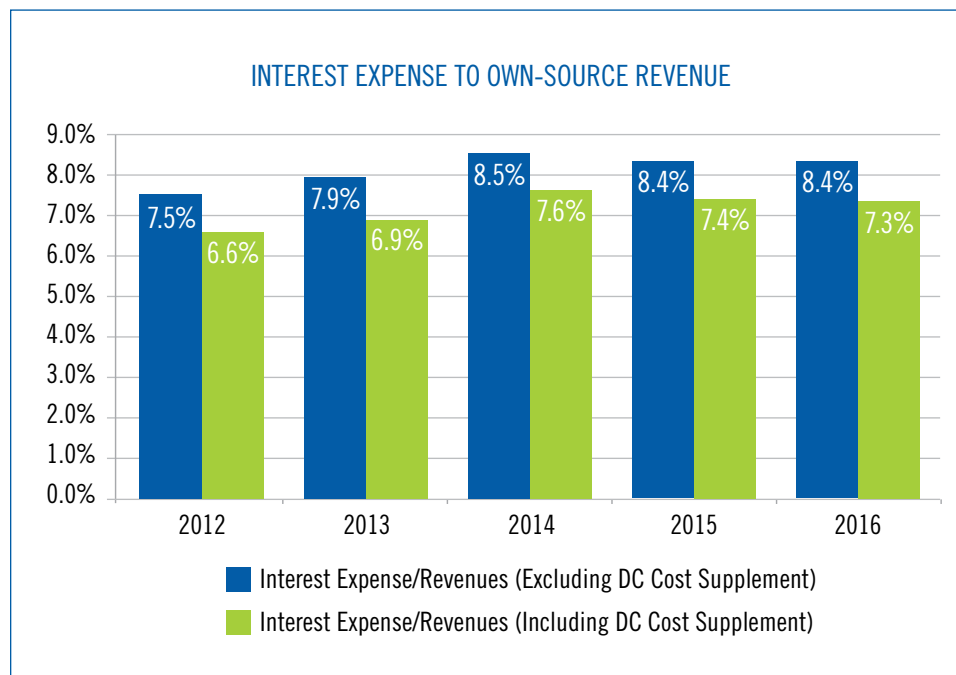
Bill Hughes

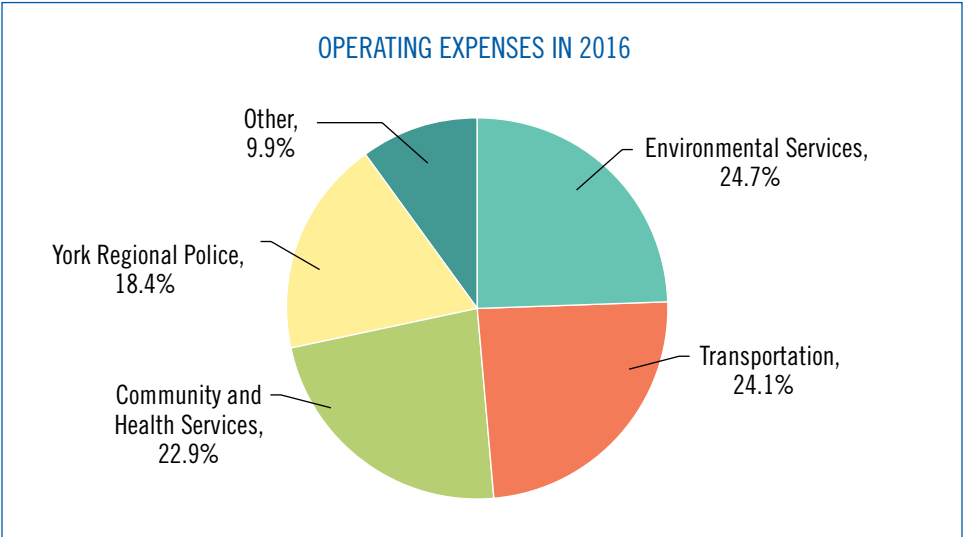
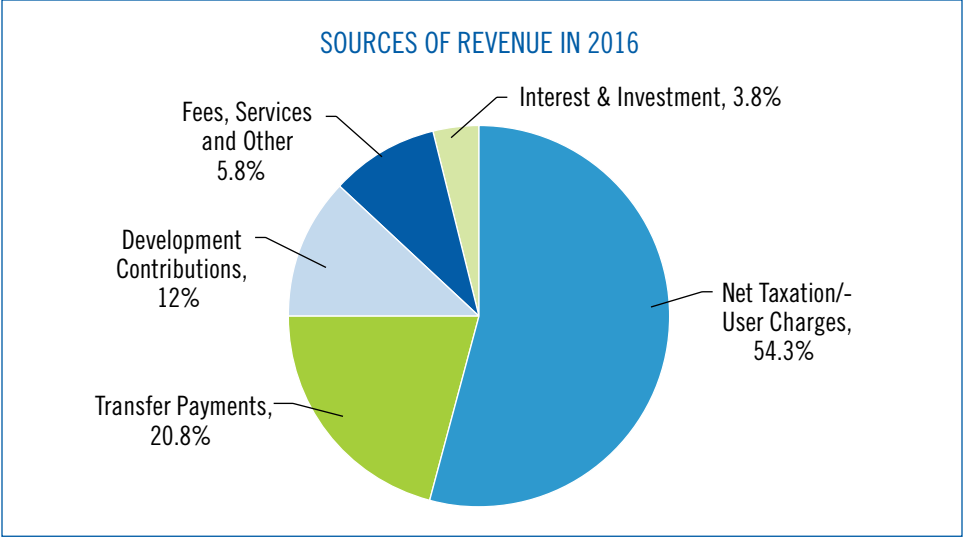
Commissioner of Finance & Regional Treasurer

INDICATORS OF FINANCIAL POSITION



Note: The reserves figure includes development charges and gas tax funding. It excludes the sinking fund reserve balance. The debt figure represents the Region's gross debt, net of sinking fund assets.





TOP 10 CORPORATE RATE PAYERS IN YORK REGION

Rank	Business Name	Rank	Business Name
1	Ivanhoe Cambridge II Inc.	6	Canadian National Railway Co.
2	ONTREA Inc.	7	Canada's Wonderland Company
3	CPPIB Upper Canada Mall Inc.	8	ACC Parkway Nominee Inc.
4	IBM Canada Limited	9	3500 Steeles Avenue East
5	Montez Hillcrest Inc.	10	2748355 CANADA INC.

CREDIT RATINGS

York Region maintained its strong credit ratings of AA+ from S&P Global Ratings and Aaa, the highest rating available, from Moody's Investors Service in 2016. The Region's results for the year show that it is on the path toward achieving the highest rating from both agencies, as it works to moderate and ultimately reverse the trend in debt.

FINANCIAL STATEMENTS

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position¹

As at December 31, 2016

	2016 \$	2015 \$
ASSETS		
Financial Assets²		
Cash and cash equivalents	655,267,351	492,937,560
Accounts receivable	241,548,015	313,134,867
Investments	2,572,851,809	2,318,411,139
Debt amounts recoverable from		
Area municipalities	184,140,047	211,070,743
Total	3,653,807,222	3,335,554,309
LIABILITIES³		
Accounts payable and accrued liabilities	722,102,674	821,969,382
Employee benefit obligations	180,271,324	161,363,047
Deferred revenue	182,159,653	64,776,623
Deferred revenue-obligatory reserve funds	343,595,086	281,560,316
Gross long-term liabilities	3,567,262,114	3,444,007,911
Total	4,995,390,851	4,773,677,279
Net Debt⁴	(1,341,583,629)	(1,438,122,970)
Non-Financial Assets⁵		
Tangible capital assets	7,527,109,186	7,116,050,341
Inventory	4,993,349	3,937,124
Prepaid expenses	10,899,088	10,476,477
Accumulated Surplus⁶	6,201,417,994	5,692,340,972

¹ The consolidated statement of financial position shows the Region's financial position, which includes the assets, liabilities, and accumulated surplus, at a specific point in time. It provides information on what the municipality owns and owes to creditors.

² Financial assets: assets easily accessible in the form of cash, cash deposits, checks, loans, accounts receivable and marketable securities.

³ Liabilities: amounts owed to creditors.

⁴ Net debt: the sum of all debt minus the financial assets available to repay the debt.

⁵ Non-financial assets: assets that are owned and will be utilized for future services, including tangible capital assets, inventory and prepaid expenses. Non-financial assets are not easily convertible to cash.

⁶ Accumulated surplus: this is an indicator of the Region's overall financial health.

It is the difference between the assets (financial and non-financial assets) as compared to the liabilities.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Operations and Accumulated Surplus¹

For the year ended December 31, 2016

	Budget (Note 1b xiii) \$	2016 \$	2015 \$
REVENUES			
Net taxation/user charges	1,283,338,499	1,277,868,947	1,214,394,680
Transfer payments (Note 14)	671,894,143	489,374,822	651,485,254
Development contributions	303,418,259	283,350,272	281,033,242
Fees and services	125,769,059	169,046,677	144,695,693
Interest and investment	65,622,341	87,903,802	94,804,765
Other	99,757,875	46,815,647	96,473,554
Total Revenues	2,549,800,176	2,354,360,167	2,482,887,188
EXPENSES			
General government	223,082,872	173,142,398	154,797,376
Protection to persons and property	330,241,222	338,689,482	331,304,851
Transportation services	520,227,321	445,386,414	371,588,836
Environmental services	430,246,692	456,153,002	431,960,462
Health and emergency services	166,537,499	134,538,640	130,264,900
Community services	235,111,153	258,452,173	237,151,372
Social housing	96,723,963	29,629,613	102,864,804
Planning and economic development	9,021,509	9,291,423	8,572,398
Total Expenses	2,011,192,231	1,845,283,145	1,768,504,999
Annual Surplus²	538,607,945	509,077,022	714,382,189
Accumulated Surplus, Beginning of Year	5,692,340,972	5,692,340,972	4,977,958,783
Accumulated Surplus, End of Year	6,230,948,917	6,201,417,994	5,692,340,972

¹ The consolidated statement of operations and accumulated surplus shows the sources of revenues and expenses, the annual surplus or deficit, and the change in the accumulated surplus over a period of time.

² Annual surplus: the difference between revenues and expenses; the "income" earned over a period of time.

HOW TO CONTACT US

For information on York Region services and programs,
please call: Access York: 1-877-464-9675

Accessible formats or communication supports
are available upon request.

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