



Durham Budget

2022

The Regional Municipality of Durham

2022 Property Tax Supported Business Plans and Budget

Regional Council – February 23, 2022

Overview

- 2022 Proposed Business Plans and Budgets and Property Tax Impacts

Budget Overview

- 2022 Proposed Gross Budget
- 2022 Regional Property Taxes
- 2022 Capital Budget and Nine-Year Forecast
- Use of Reserves and Reserve Funds
- Line-by-line Review
- COVID-19 Pandemic Impacts
- 2022 Budget Overview

Summary

- Future Budget Pressures
- Risks and Uncertainties
- Conclusion and Questions

Achieves the Regional
Council approved 2022
Business Plans and
Budget
Guideline

With DRPS Adjustment

Supports the Region's
Strategic Plan

Responds to the
demands and pressures
the COVID-19 pandemic
has placed on many
Regional programs and
services

Provides for the
implementation of the
Region's
COVID-19 Recovery Plan

**Finance &
Administration
Committee:**

February 8, 2022

Regional Council:

February 23, 2022

Proposed 2022 Property Tax Increase

2.0% + 0.35% + 0.25% = 2.6%

\$74 budgetary increase for average residential property
(2022 CVA \$483,100)



Police Request:

Total Police: \$233.32 million 4.5%



Conservation Authorities:

Operating: 2.5%
Special benefiting 1.5%

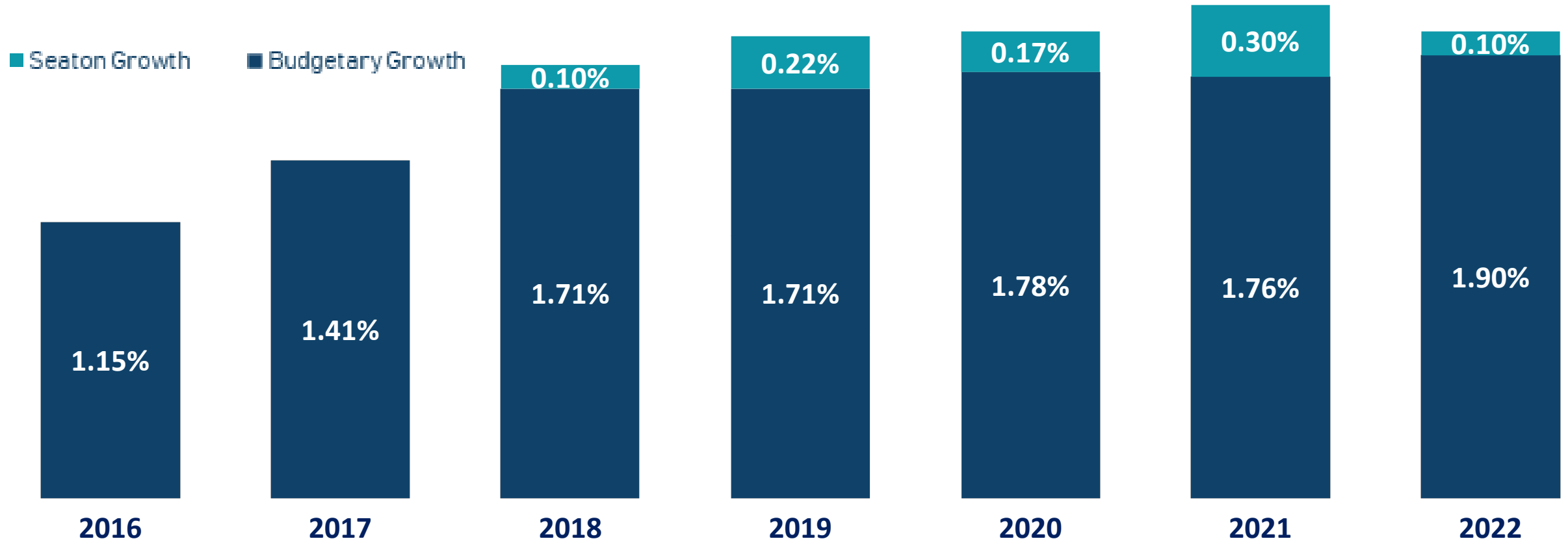


Community Investment Grant Policy:

Future Healthcare Investments: 0.25%

Key Messages:

- Significant Council priorities
- Enhanced community needs
- Climate change emergency
- Line-by-line review
- Used alternative funding strategies including sustainable use of reserves and reserve funds, development charges, provincial and federal gas tax and debentures
- 2022 funding impacts including any potential for continued financial support to mitigate the continued fiscal impacts of the pandemic and recovery



Seaton Growth

- Ensure continued financial sustainability by matching required Regional expenditures with assessment growth
- Estimated 2022 assessment growth related to Seaton is 0.10%

The annual Business Plans and Budget outlines the cost of delivering a wide range of essential programs and services. It ensures resource allocations are aligned with Regional Council’s strategic objectives and balance service, infrastructure and legislative requirements within a framework of financial stability and transparency.

The Region prepares two budgets with combined gross expenditures of approximately \$2.2 billion

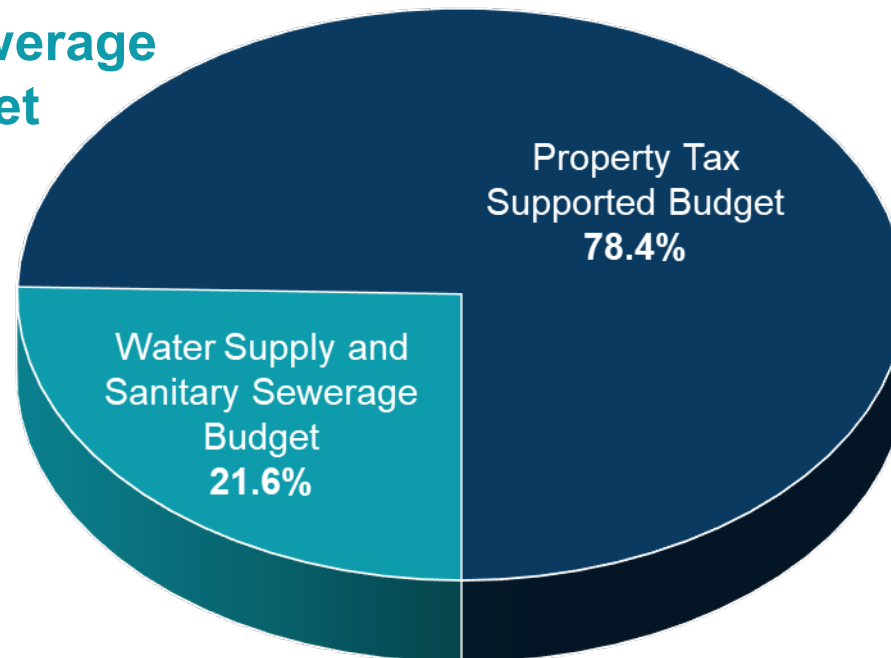
2022 Recommended Budget - \$2.2 billion

Water Supply and Sanitary Sewerage Business Plans and Budget
\$0.5 billion

Property Tax Supported Business Plans and Budget
\$1.7 billion

Water and Sewer Bill

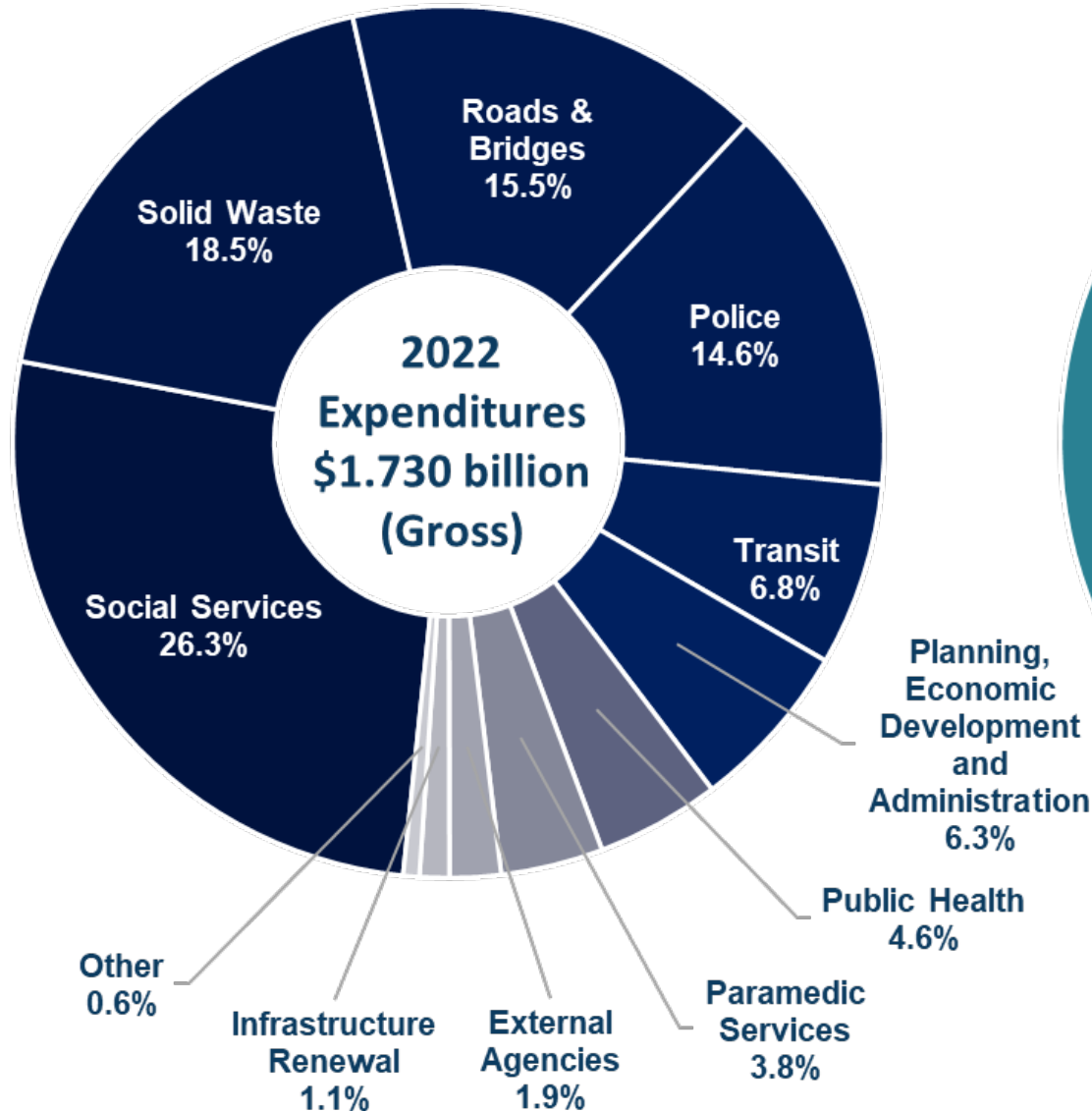
THE REGIONAL MUNICIPALITY OF DURHAM		WATER AND SANITARY SEWER BILL	
PERIOD BILLED TO		SERVICE ADDRESS	
ACCOUNT NUMBER		Average Residential Customer	
<small>PLEASE QUOTE THIS NUMBER WHEN INQUIRING</small> CURRENT WATER METER READING PREVIOUS WATER METER READING CONSUMPTION Typical Quarterly Average (56 cubic metres) WATER METER SIZE UNMETERED FIRE LINE SIZE		DESCRIPTION Water Consumption Water Service Charge Total Water Charges	AMOUNT \$61.60 \$55.44 \$117.04
		Sanitary Sewer Usage Charge Sanitary Sewer Service Charge Total Sewer Charges	\$98.56 \$20.70 \$119.26
			AMOUNT DUE NOW 2% LATE PAYMENT CHARGE EFFECTIVE AFTER AMOUNT DUE AFTER DATE SHOWN \$236.30



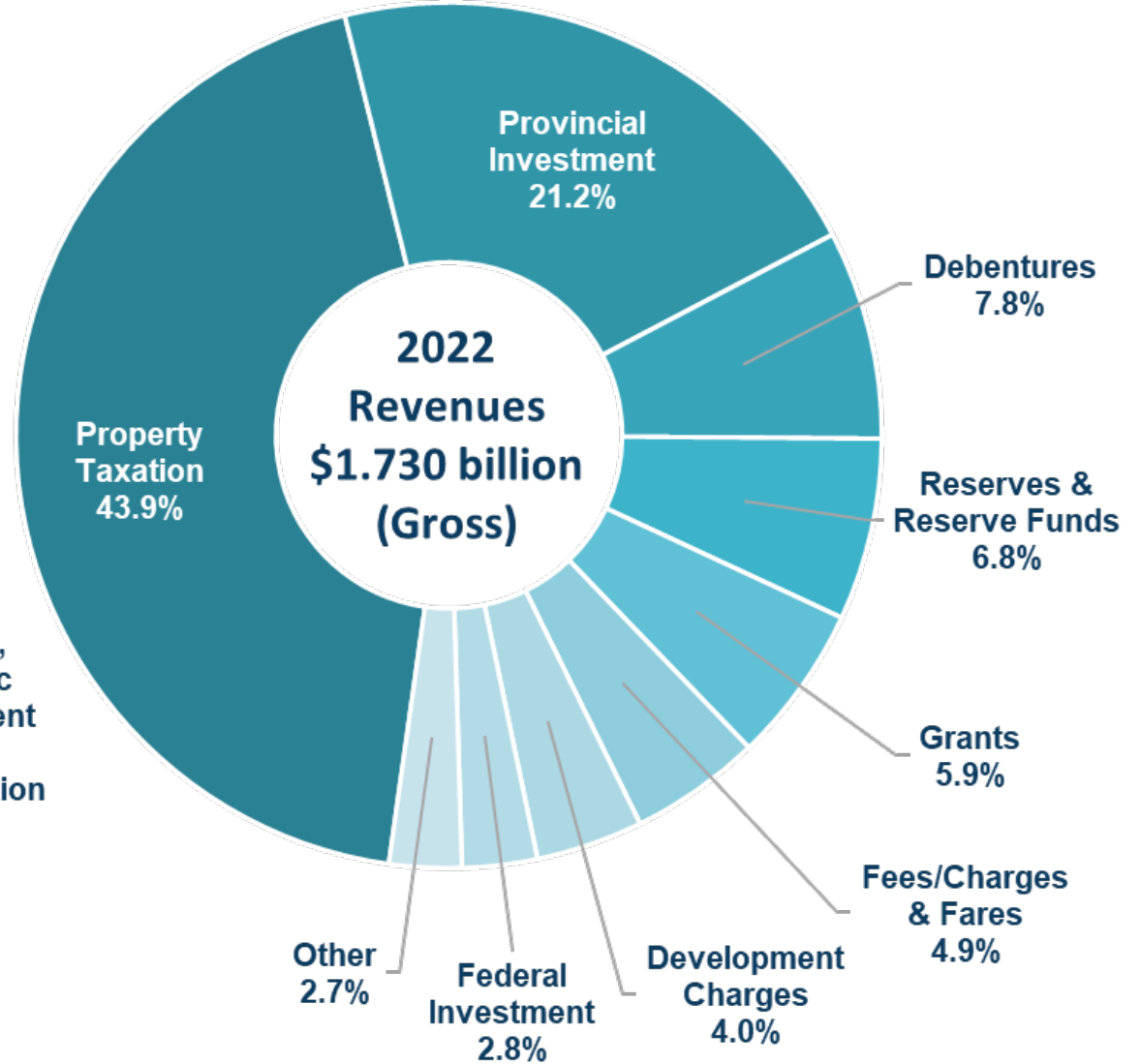
Property Tax Bill

- ➔ Durham Region Municipal
- ➔ Local Municipal
- ➔ Provincial Education

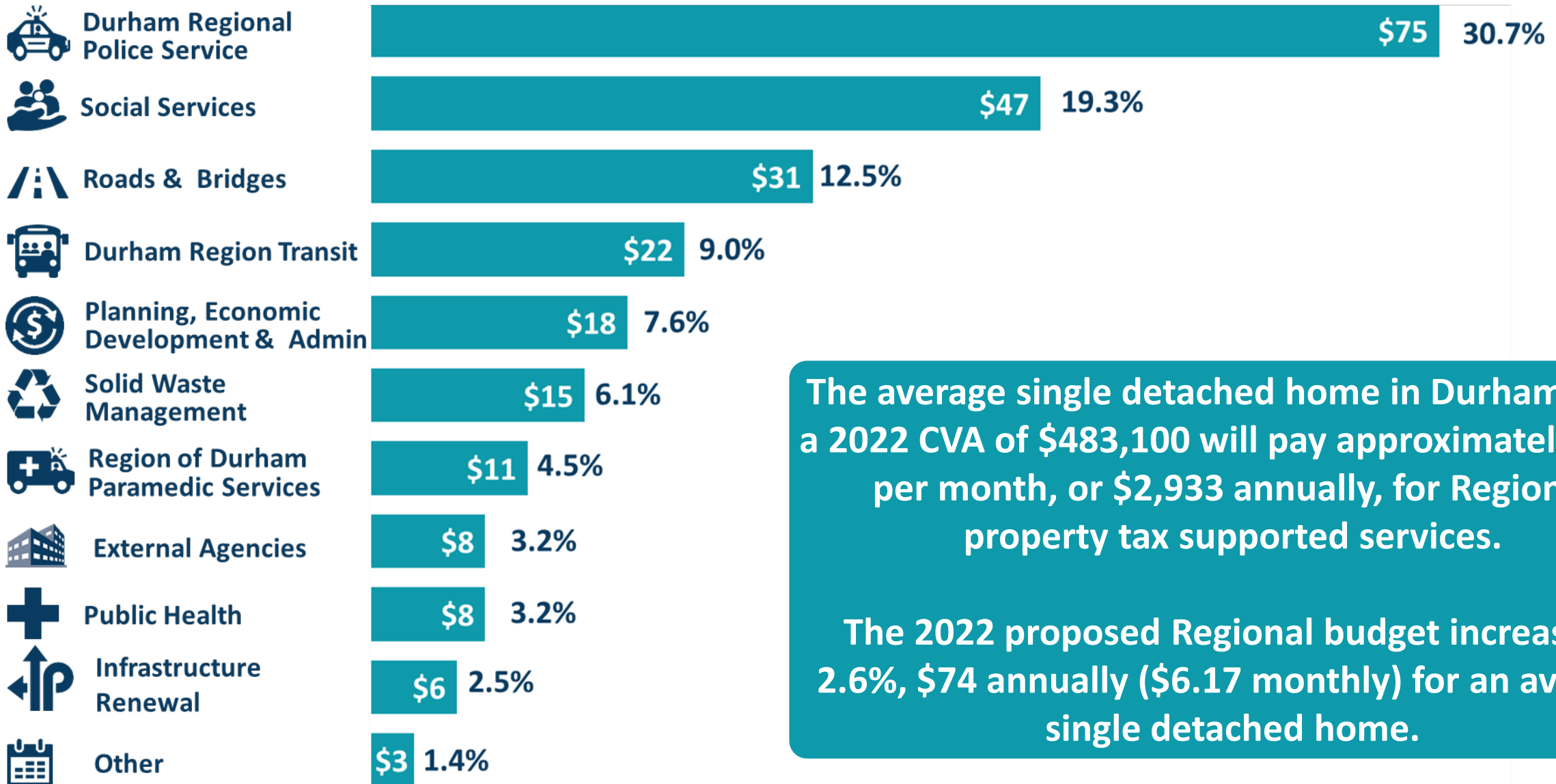
2022 Recommended Gross Expenses



2022 Recommended Gross Funding



2022 Regional Property Taxes – Average Home



The average single detached home in Durham, with a 2022 CVA of \$483,100 will pay approximately \$244 per month, or \$2,933 annually, for Regional property tax supported services.

The 2022 proposed Regional budget increase is 2.6%, \$74 annually (\$6.17 monthly) for an average single detached home.

2022 Regional Property Tax Impacts



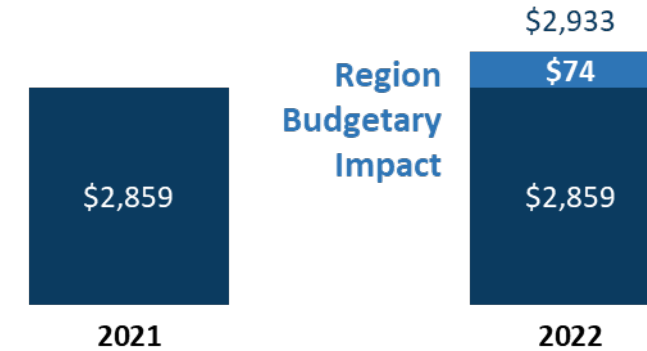
Residential Regional Budgetary Increase for an Average Residential Property Owner



2.6% \$74

Average Region-Wide Residential Home 2022 CVA = \$483,100

Average Region-Wide Residential Home



No change in Residential Education Property Taxes

Commercial Regional Budgetary Increase



2.6% \$112

Based on Occupied 2022 CVA = \$500,000

Commercial Example Regional Portion



Province maintaining reduced 2021 education tax rates
Reduction approx. 10% or \$500 from 2020 level

Industrial Regional Budgetary Increase



2.6% \$314

Based on Occupied 2022 CVA = \$1,000,000

Industrial Example Regional Portion



Province maintaining reduced 2021 education tax rates
Reduction approx. 28% or \$3,500 from 2020 level

2022 Capital Budget and Nine-Year Forecast



2020 Year End Asset Replacement Value (\$15.912 billion)



Water Supply
\$4.909 billion



Sanitary Sewerage
\$5.446 billion



Transportation
\$3.857 billion



Facilities
\$1.279 billion



Fleet & Equipment
\$0.42 billion

Durham Budget 2022	2022 Proposed Budget (\$,000's)	Forecast					Forecast Total
		2023	2024	2025	2026	2027-2031	
Capital Expenditures							
Durham Regional Police Service	6,247	5,947	10,728	15,647	38,943	142,028	213,293
Durham Region Transit	16,100	29,189	183,273	48,171	20,580	109,437	390,650
Works Department	418,853	226,569	210,761	196,494	163,865	685,187	1,482,876
Planning and Economic Development	59	105	102	70	103	290	670
Health Department	4,308	5,064	2,589	3,455	2,655	16,470	30,234
Social Services	2,655	112,853	12,775	1,823	1,693	32,833	161,977
Office of the Regional Chair	5	5	13	5	5	43	71
Office of the Chief Administrative Officer	38	46	90	34	46	293	509
Corporate Services	661	1,498	318	199	228	1,145	3,386
Durham OneNet Inc.	6,728	14,500	14,500	15,200	11,100	17,700	73,000
Finance Department	193	161	112	162	111	761	1,305
9-1-1 Emergency Service System	303	73	10	253	269	530	1,135
Durham Regional Local Housing Corporation	25,671	18,138	10,368	7,257	4,962	14,257	54,982
Corporate Items	-	-	-	-	-	-	-
Regional Headquarters	9,163	9,620	8,923	11,454	10,646	13,509	54,152
Property Tax Supported Capital Expenditures	490,984	423,768	454,562	300,223	255,205	1,034,483	2,468,241
Capital Financing							
General Levy	27,750	49,387	41,355	45,748	46,678	172,363	355,532
Development Charges	69,645	65,596	94,834	56,930	66,395	284,291	568,046
Reserves & Reserve Funds	109,589	110,624	127,240	120,331	109,330	361,610	829,135
Canada Community-Building Fund (Federal Gas Tax)	37,017	17,600	17,600	17,600	17,600	88,000	158,400
Provincial Gas Tax	5,880	13,887	7,829	7,829	7,829	25,385	62,759
Subsidy/Grant	102,345	59,761	35,565	18,714	-	-	114,040
Debentures *	134,300	104,913	130,139	23,920	7,372	101,733	368,077
Other Financing	3,127	-	-	9,000	-	-	9,000
Recoveries From Others	1,331	2,000	-	151	-	1,101	3,252
Property Tax Supported Capital Financing	490,984	423,768	454,562	300,223	255,205	1,034,483	2,468,241

* Includes General Levy and DC Funded

Use of Reserves and Reserve Funds



Source	Amount
Assessment Appeal Reserve Fund	\$200,000
Bridge Rehab Reserve Fund	5,525,000
Capital Impact Stabilization Reserve Fund	22,102,999
Capital Project Reserve	2,628,055
Climate Mitigation and Environmental Initiatives Reserve Fund	1,000,000
Durham Regional Forest Reserve Fund	9,048
Durham Region Healthcare Institution Reserve Fund	600,000
Economic Development Reserve Fund	425,000
Equipment Replacement Reserve	5,182,450
Innovation and Modernization Initiatives Reserve Fund	2,115,162
Insurance Reserve Fund	520,178
Operating Impact Stabilization Reserve Fund	2,209,108
Police Capital Reserve	403,700
Regional Roads Levy	10,259,756
Roads Rehab Reserve Fund	27,210,000
Sick Leave Reserve	420,000
Transit Capital Reserve Fund	3,604,180
Vision Zero Reserve Fund	725,000
Waste Management Reserve Fund	32,700,000
Development Charges	69,645,007
Federal Gas Tax (Canada Community-Building Fund)	37,016,512
Provincial Gas Tax	9,523,815
Total	\$234,024,970

- \$36.9 million (19%) increase over 2021 (hospital factored in)
- Additional pressure on operating impact reserve fund depending on COVID and on capital reserve funds for cost escalations.

Department/Division	Line-by-Line Review Savings (\$000's)
Durham Regional Police Service	\$122
Planning and Economic Development	196
Health	206
Paramedic Services	48
Social Services	876
Finance Services	301
Regional Headquarters	64
Transit	253
Works- General Tax and Waste	1,867
Corporate Items-CAO and Corp Services	3,727
Total	\$7,660

\$7.7 million in savings identified – a reduction of **1.0%** of the tax levy

- Uncertainty
- Temporary impacts versus permanent impacts
- Flexibility to respond to changing demands on programs and services
- Safe Restart Program funds are restricted to COVID-19 impact incurred by March 31, 2022



Public Health— \$16.2 million



Social Services – \$3.4 million



Transit – \$8.0 million



Economic Development

- **\$27.6 million** forecasted temporary COVID-19 pandemic impact in 2022
- Safe Restart Program (municipal and transit stream) to fund temporary impact
- Use of the Operating Impact Stabilization Reserve Fund should the eligibility date of March 31, 2022 for Safe Restart Program not be extended
- Health costs for COVID expected to be fully recovered

Strategic priorities aligned with the Region's Strategic Plan



Implement Corporate Climate Master Plan including low carbon fleet, facility and waste initiatives



Finalize and implement the "Durham Building Standards" for construction, renovation and operation of Regional facilities



Shift DRT fleet to zero and/or low emission alternatives over the next decade



Implement the Durham Greener Homes Program

Environmental Sustainability

Community Vitality

Economic Prosperity

Social Investments

Service Excellence



Meet Ontario Public Health Standards for climate change and healthy build environments



Work with partners to advance the Region's flood risk mitigation strategy



Increase waste diversion through the advancement of the Region's pre-sort and AD facility



Respond to provincial legislative changes on extended producer responsibility

Strategic priorities aligned with the Region's Strategic Plan



Advance and expand the Region's diversity, equity and inclusion programs



Provide paramedic services out of the new Seaton paramedic response station



Enhance the level of care and supports for residents of the Region's long-term care homes



Orient public health programs and services to address the needs of priority populations

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Continue Community Paramedicine Program



Continue ongoing system enhancements and increase resources for Emergency 9-1-1



Expand the Durham Vision Zero program to improve road safety



Respond to growth through increased investment in Works operations



Implement the Regional Cycling Plan Update

Strategic priorities aligned with the Region's Strategic Plan



Continue to advance transit-oriented development opportunities on key transit corridors



Leverage ICIP funding to advance bus rapid transit expansion projects on Highway 2 and Simcoe Street



Continue the implementation of the Region's Broadband Strategy



Implement DRT Ambassadors program



Advance transit service recovery with planned service enhancements including demand responsive service

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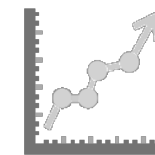
Continue to advance the development of the Region's Official Plan - Envision Durham



Advance investment attraction efforts for the Region-owned land in the Clarington Energy Park



Deliver the Region's Community Improvement Plan



Increase economic development outreach through marketing and investment promotion



Invest in new facilities and equipment to respond to growth pressures

Strategic priorities aligned with the Region's Strategic Plan



Continue to advance At Home in Durham, the Durham Housing Plan 2014 - 2024



Invest in Homelessness Programs



Provide for the operating impacts of the microhomes and supportive housing projects



Increase the Regional contribution to the rent supplement program

Environmental Sustainability

Community Vitality

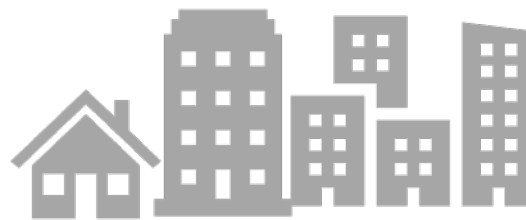
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Service Excellence



Partner with Grandview Children's Centre on the new Ontario Autism Program



Additional DRLHC operating funding to address systemic budget pressures and capital program needs



Modernize Ontario Works paper records

Strategic priorities aligned with the Region's Strategic Plan



Implement the multi-year enterprise myDurham311/Service Durham project



Finalize and implement the Region's new Long-term Waste Management Plan



Increase investment in technology infrastructure, applications and security



Continue to advance the implementation of the Region's enterprise information management strategy and associated content management system

Environmental Sustainability

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Service Excellence



Provide enhanced health, safety and wellness supports for staff



Invest in the ongoing maintenance and renewal of the Region's assets



Advance the Workplace Modernization project



Drive innovation through continued implementation of the Enterprise Maintenance Management System

Impacts on 2023 Budget:

- Annualization of new positions (\$6.7 million)

Forecasted Pressures:

- Road and bridge rehabilitation and expansion needs over the forecast period (\$1.1 billion)
- Implementation of Paramedic Master Plan referred to staff
- Future servicing of employment lands
- Investment in broadband infrastructure
- Facility expansion over the forecast period to provide services for a growing and diverse population
- Investments to implement Climate Master Plan and reduction in GHG emissions
- Increased operating cost pressure for long-term care homes
- Seaton long-term care home
- Potential additional health resources to address permanent impacts of COVID-19
- Investments to achieve Council's affordable housing targets
- Aging social housing portfolio requiring significant capital investment
- Funding hospital expansions and development

Risks and Uncertainties:

- COVID-19 Pandemic – financial risk pertaining to the level of senior government funding for health, transit and long-term care
- Sustainability of provincial funding – provincial gas tax, public health, paramedic, and social services funding
- Development forecast not achieved – lower development charge revenue resulting in delay and deferral of growth related capital works
- ICIP funded projects – timelines are tight with eligible costs required to be incurred before October 31, 2027
- Changes to the delivery of employment services – the timing and scope is not fully known but the transformation is expected to reduce resources to assist OW clients

Mitigation Strategies

- Long-term financial planning
- Risk and asset management
- Financial flexibility and sustainability

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Questions