



# The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: #2020-F-4  
Date: February 11, 2020

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**Subject:**

The 2020 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit

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**Recommendations:**

That the Finance and Administration Committee recommends to Regional Council that:

**2020 General Purpose Property Tax Business Plans and Budgets**

- A) The 2020 Business Plans and Property Tax Budgets for General Purposes (excluding Durham Region Transit and Solid Waste Management) be approved, at a total net property tax requirement of \$588,411,000 as detailed within the 2020 Regional Business Plans and Budgets, which are highlighted in this report and summarized as follows:

**Regional Operations**

- i) Departmental Operations
- ii) Regional Roads Reserve – Growth
- iii) Regional Roads – Rehabilitation Reserve Fund
- iv) Regional Bridges – Rehabilitation Reserve Fund

**Total Regional Operations**

- v) **Police Service**
- vi) **Social Housing - Corporate**
- vii) **Conservation Authorities**
- viii) **Special Contributions:**
  - ix) Land Conservation and Protection Reserve Fund
  - Special Contribution:
    - x) - Trent University - Durham
    - xi) - Durham College – Whitby
    - xii) - Oak Ridges Hospice of Durham
    - xiii) - Durham Region Hospice (Clarington)
    - xiv) - Durham Region Community Investment Grant

**Total Special Contributions****SUBTOTAL**

- xv) Deferral for Seaton Assessment Growth
- xvi) Adjustment to Assessment Base (re: Assessment under appeal)

**TOTAL GENERAL PROPERTY TAX PURPOSES**
**2020 Tax  
Requirements  
(\$000s)**

269,752

12,549

26,050

5,525

313,876

213,225

43,324

8,376

567

474

667

360

239

2,670

4,977

583,778

3,176

1,457

588,411

- B) The 2020 Net Major Tangible Capital Asset Program for General Property Tax Purposes (excluding Solid Waste, Durham Region Transit and Conservation Authorities' requirements) in the amount of \$110,923,000 be approved, and the 2021 to 2029 Capital Forecast in the amount of \$1,633,890 as detailed in the following table be received for information purposes only and subject to future approvals.

**GENERAL PURPOSES**  
**Tangible Capital Asset Requirements (\$000's)**

	2020 Recommended (\$000's)	Forecast					Forecast Total (\$000's)
		2021 (\$000's)	2022 (\$000's)	2023 (\$000's)	2024 (\$000's)	2025-2029 (\$000's)	
<b>Major Capital</b>							
<b>Police Services</b>							
Operations Training Centre - Phase 2						31,020	31,020
Facility Repairs & Renovations	515	1,500	1,500	1,500	1,500	7,500	13,500
Police Education and Innovation Centre Transition Space	8,200						
Clarington Police Complex Phase 2 - Regional Support Centre and Centre for Investigative		80,000					80,000
Durham North West Seaton					3,315	29,830	33,145
North Division Expansion						4,100	4,100
Central West Parking Garage						10,000	10,000
Central East Division						58,565	58,565
<b>Police Service Subtotal</b>	<b>8,715</b>	<b>81,500</b>	<b>1,500</b>	<b>1,500</b>	<b>4,815</b>	<b>141,015</b>	<b>230,330</b>
<b>Paramedic Services</b>							
Ambulance Stations - Clarington	1,783	3,300					3,300
Ambulance Stations - Uxbridge					5,700		5,700
<b>Paramedic Services Subtotal</b>	<b>1,783</b>	<b>3,300</b>			<b>5,700</b>		<b>9,000</b>
<b>Health &amp; Social Services</b>							
Space Optimization - 101 Consumers	2,000						
Seniors Dental Clinic Renovations	2,048						
New Ontario Works Delivery Location						20,000	20,000
Sunderland Relocation and Expansion - Child Care		1,250					1,250
Seaton Facility				8,300			8,300
New Long Term Care Home						82,485	82,485
<b>Health and Social Services Subtotal</b>	<b>4,048</b>	<b>1,250</b>		<b>8,300</b>		<b>102,485</b>	<b>112,035</b>
<b>Headquarters</b>							
Expansion of Garage						10,000	10,000
Space Optimization	8,077	2,700	2,700	2,570			7,970
<b>Headquarters Subtotal</b>	<b>8,077</b>	<b>2,700</b>	<b>2,700</b>	<b>2,570</b>		<b>10,000</b>	<b>17,970</b>
<b>Works Operations</b>							
Regional Roads Program	88,300	107,750	142,860	132,015	126,705	731,510	1,240,840
Depots			6,518	8,641	1,200	7,356	23,715
<b>Works Operations Subtotal</b>	<b>88,300</b>	<b>107,750</b>	<b>149,378</b>	<b>140,656</b>	<b>127,905</b>	<b>738,866</b>	<b>1,264,555</b>
<b>Total Major Capital</b>	<b>110,923</b>	<b>196,500</b>	<b>153,578</b>	<b>153,026</b>	<b>138,420</b>	<b>992,366</b>	<b>1,633,890</b>

- C) Financing for the 2020 Major Tangible Capital Asset Program for General Property Tax Purposes in the net amount of \$110,923,000 be approved as follows:

Major Capital Financing Sources	2020 Recommended (\$000's)				
	Headquarters Space Optimization (\$000's)	Health & Social Services (\$000's)	Police	Paramedic	Works Operations
Property Taxes			515	1,783	6,200
Development Charges					25,761
Rehabilitation / Special Road Reserve Funds					46,239
Federal Gas Tax					10,100
Debentures					
Provincial Subsidy		2,048			
Federal Grant					
Other <sup>(1)(2)(3)</sup>	8,077	2,000	8,200		
<b>Total Financing</b>	<b>8,077</b>	<b>4,048</b>	<b>8,715</b>	<b>1,783</b>	<b>88,300</b>
					<b>110,923</b>

Note:

1. Contribution from Reserves for Headquarters Space Optimization
2. Contribution from Reserves for Space Optimization - 101 Consumers
3. Contribution from Reserve Fund for Police Education and Training Centre

### **Contributions for Regional Roads and Bridges**

- D) A 2020 contribution of \$12,549,000 to the Regional Roads Reserve – Growth be authorized to allow for financing of Road Capital Construction Projects.
- E) A 2020 contribution of \$26,050,000 to the Regional Roads Rehabilitation Reserve Fund be authorized to assist with roads rehabilitation requirements.
- F) A 2020 contribution of \$5,525,000 to the Regional Bridges Rehabilitation Reserve Fund be authorized to assist with bridge rehabilitation requirements.

### **Durham Regional Local Housing Corporation**

- G) The 2020 Budget for the Durham Regional Local Housing Corporation be approved in the amount \$9,895,000.

**Conservation Authorities**

- H) Funding totalling \$6,115,288 for 2020 operations be approved for the Region's five Conservation Authorities as summarized below:

Central Lake Ontario Conservation Authority	\$4,068,185
Kawartha Region Conservation Authority	641,880
Ganaraska Region Conservation Authority	493,762
Toronto and Region Conservation Authority	656,600
Lake Simcoe Region Conservation Authority	254,861
<b>Total Conservation Authority Operations Funding</b>	<b>\$6,115,288</b>

- I) Funding totalling \$1,693,446 for 2020 special projects be approved for the Region's Conservation Authorities as summarized below:

Kawartha Region Conservation Authority	\$145,145
Ganaraska Region Conservation Authority	235,130
Toronto and Region Conservation Authority	838,221
Lake Simcoe Region Conservation Authority	474,950
<b>Total Conservation Authority Special Projects Funding</b>	<b>\$1,693,446</b>

- J) Funding totalling \$200,000 for 2020 land management expenditures be approved for properties within Durham Region as outlined below:

Central Lake Ontario Conservation Authority	\$85,000
Kawartha Region Conservation Authority	15,000
Ganaraska Region Conservation Authority	37,000
Toronto and Region Conservation Authority	41,000
Lake Simcoe Region Conservation Authority	22,000
<b>Total Conservation Authority Land Management Funding</b>	<b>\$200,000</b>

- K) The York/Peel/Durham/Toronto/Groundwater Management Initiatives be continued in 2020 at a funding level of \$175,000 for ongoing groundwater protection initiatives jointly funded with the City of Toronto, Region of York and Region of Peel.

- L) The special funding requests as outlined below be approved subject to the accountability of project costs incurred and project completion:

- Central Lake Ontario Conservation Authority for phase two of five of the Restoration Program in the amount of \$150,000
- Kawartha Conservation Authority for phase two of two of the Watershed Planning project in the amount of \$30,000
- Kawartha Conservation Authority for phase two of two for Website Design and Implementation in the amount of \$7,080
- Kawartha Conservation Authority for phase two of five for the Digitization of Corporate Records in the amount of \$5,310

- M) A contribution of \$566,610 to the Land Conservation and Protection Reserve Fund be authorized to assist in financing requests for funding received from the five Conservation Authorities to acquire environmentally sensitive lands within the Region, based on eligibility criteria per the approved Regional Land Acquisition Reserve Fund Policy.

**Special Contributions**

- N) That the second of three annual funding contributions to Trent University Durham for the expansion of Trent University Durham Campus be approved, up to a maximum amount of \$474,000 for 2020 with the required financing provided from the Durham Region Community Investment Grant envelope; and further that funds be released at the discretion of the Commissioner of Finance in accordance with the executed funding agreement and the accountability of capital costs.
- O) That the request for funding from Durham College – Whitby Campus for up to a maximum of \$2.0 million over three years (\$666,667 per year) for the construction of a new 60,300 square foot building to allow the College to expand its capacity in the millwright, elevator and electrical skill trades programs and to address student space requirements be approved, with the required financing to be provided for annually from the Durham Region Community Investment Grant envelope; and further that funds be released at the discretion of the Commissioner of Finance subject to an executed funding agreement and accountability of capital costs.
- P) That the Regional Chair and Regional Clerk be authorized to execute the agreement with Durham College.
- Q) That an additional Regional funding allocation of up to \$359,650 be provided to Oak Ridges Hospice of Durham for the planned expansion of the Port Perry hospice to an eight bed facility, in addition to the \$350,000 approved by Regional Council in 2018 for the original five bed facility, with the required financing to be provided for from the Durham Region Community Investment Grant envelope in accordance with the Durham Region Community Investment Grant policy.
- R) That an additional Regional funding allocation of up to \$239,500 be provided to Durham Region Hospice for the planned expansion of the Clarington hospice to a nine bed facility, in addition to the \$265,650 approved by Regional Council in 2018 for the original five bed facility, with the required financing to be provided for from the Durham Region Community Investment Grant envelope in accordance with the Durham Region Community Investment Grant policy.

**Solid Waste Management 2020 Business Plan and Budget**

- S) The 2020 Business Plan and Budget for Solid Waste Management at a net property tax requirement of \$47,736,000 be approved as detailed in the 2020 Solid Waste Management Business Plan and Budget.

- T) The 2020 Scott Landfill Reclamation Project, included in the 2020 Major Tangible Capital Assets Program for Solid Waste Management, be approved in the gross amount of \$60,000 to be financed from property taxes, and further that the remaining 2020 Major Tangible Capital Asset Program totalling \$163,500,000 and the Capital Forecast for the period 2021 to 2029 in the amount of \$243,224,800 as detailed below be received for information purposes only and subject to additional future approvals.

**SOLID WASTE MANAGEMENT**  
**Tangible Capital Asset Requirements (\$000's)**

	2020 Recommended (\$000's)	Forecast					
		2021 (\$000's)	2022 (\$000's)	2023 (\$000's)	2024 (\$000's)	2025-2029 (\$000's)	Forecast Total (\$000's)
<b>Major Capital</b>							
Landfill Remediation / Reclamation	60	4,225	1,845	1,360	220	4,350	12,000
Long-term Organics Management Plan	163,500						
Durham/York Energy Centre		100	900			210,000	211,000
Modifications and/or New Waste Management Facilities (WMFs)							
Future Optimizations or New Sites		2,600	3,153	500	1,100	3,152	10,505
New Seaton Facility		8,500					8,500
Upgrades of Equipment at Material Recovery Facility (MRF)		660	260				920
Long Term Waste Management Master Plan		300					300
<b>Total Major Capital</b>	<b>163,560</b>	<b>16,385</b>	<b>6,158</b>	<b>1,860</b>	<b>1,320</b>	<b>217,502</b>	<b>243,225</b>
<b>Major Capital Financing Sources</b>							
Property Taxes	60						
Debentures	130,800						
Solid Waste Reserve Fund	32,700						
<b>Total Financing</b>	<b>163,560</b>						

**Durham Region Transit 2020 Business Plan and Budget**

- U) The 2020 Business Plan and Budget for Durham Region Transit be approved at a total net property tax requirement of \$60,702,000, as detailed in the 2020 Durham Region Transit Business Plan and Budget.

- V) The 2020 Major Tangible Capital Asset Program for Durham Region Transit be approved in the gross amount of \$14,942,000 and the Capital Forecast for the period 2021 to 2029, totalling \$347,522,000 as summarized below be received for information purposes only and subject to future approvals.

**DURHAM REGION TRANSIT**  
**Tangible Capital Asset Requirements (\$000's)**

	2020		Forecast													
	Recommended		2021		2022		2023		2024		2025-2029		Forecast Total			
	#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)		
Major Capital																
Growth Related																
Vehicles	1	40	7	5,262	8	4,770	9	5,401	10	6,032	57	40,708	91	62,173		
Vehilce Outfitting	-	-	21	369	24	391	27	440	30	490	171	3,028	273	4,718		
New Indoor Bus Storage/Service Facility		3,750		250		-		80,000		-		37,300	-	117,550		
New Facility in Seaton Phase 1		-		-		-		-		-		25,000	-	25,000		
Maintenance Garage: Crossbeams for Articulated Buses		18		-		-		-		-		-	-	-		
Subtotal	1	3,808	28	5,881	32	5,161	36	85,841	40	6,522	228	106,036		209,441		
Replacement																
Vehicle Replacement and Refurbishment	11	9,280	7	4,841	18	10,229	21	11,536	22	11,969	117	62,022	185	100,597		
Replacement Vehicle Outfitting	6	500	6	78	14	211	16	208	16	208	84	1,226	136	1,931		
Facilities Rehabilitation		148		962		-		11		25		-		998		
Subtotal		9,928		5,881		10,440		11,755		12,202		63,248		103,525		
Other																
Passenger Amenities		-		1,620		5,660		5,360		360		2,050		15,050		
System Improvements Capital		1,206		2,560		8,500		1,184		4,461		2,800		19,505		
Subtotal		1,206		4,180		14,160		6,544		4,821		4,850		34,555		
Total Major Capital				14,942		15,942		29,761		104,140		23,544		174,134		347,522

- W) Financing for the 2020 Major Capital Asset Program for Durham Region Transit in the gross amount of \$14,942,000 be approved as follows:

	2020 Recommended (\$000's)
<b>Major Capital Financing Sources</b>	
Property Taxes	1,033
Development Charges	2,589
Debentures	1,200
Federal Gas Tax	10,100
Federal Grant	20
<b>Total Financing</b>	<b>14,942</b>

**Financial Management and Accountability**

- X) The Listing of 2020 Regional Fees and Charges, as set forth in the 2020 Regional Business Plans and Budgets be approved and made available to the public and all applicable By-laws be amended accordingly.



- Y) That the funding previously approved and set aside for the Healthcare Institution capital investments be consolidated in the Durham Region Healthcare Institution Reserve Fund.
- Z) Based upon the 2020 Regional Business Plans and Budgets as recommended herein, the Commissioner of Finance be authorized to set 2020 Regional Property Tax Rates for General Purposes, Solid Waste Management and Durham Region Transit and approval be granted for the requisite By-laws.
- AA) Capital project approval be granted for expenditures and financing per the 2020 Capital Project Detail pages within the 2020 Regional Business Plans and Budgets where contract awards are consistent with the Regional Budget Management Policy.
- BB) For any Regional program change or capital expenditure included within the 2020 Regional Business Plans and Budgets which is proposed to be financed in whole, or in part, from Provincial/Federal subsidies or related revenues, neither staffing, capital nor other related Regional expenditures can be committed until such time as adequate written confirmation is received from the respective provincial/federal ministry to commit to the subsidy or related revenues (Finance and Administration Committee and Regional Council will be advised accordingly, consistent with the Regional Budget Management Policy).
- CC) Funding totalling up to \$59,850 be approved for the Pickering Auxiliary Rescue Association with the funding to be provided from within the 2020 Risk Management program of the Finance Department's 2020 Business Plan and Budget to be administered by the Finance Department in consultation with the Durham Regional Police Service based upon services rendered.
- DD) Staff continue to work with COMRA to finalize their 2020 funding submission and that the approval and financing of COMRA's 2020 request be at the discretion of the Commissioner of Finance; and be administered by the Finance Department in consultation with the Durham Regional Police Service.
- EE) The reporting of the Impact of Excluded Expenses for tangible capital asset amortization, post-employment benefits and solid waste landfill closure/post-closure expenses be adopted, per requirements under the Ontario Regulation 284/09 of the *Municipal Act, 2001* and the Public Sector Accounting Board (PSAB).

**ESTIMATED IMPACT OF EXCLUDED EXPENSES  
ON ACCUMULATED SURPLUS  
FOR THE 2020 BUSINESS PLANS AND BUDGETS (000'S)**

	<u>2019</u>		<u>2020</u>		
	<u>Total</u>	<u>Property Tax</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
	\$	\$	\$	\$	\$
<b><u>PSAS Additions to Budget</u></b>					
Tangible Capital Asset Amortization	142,386	89,152	24,673	30,659	144,484
Post-Employment Benefit Expense	11,274	12,278	623	716	13,617
Landfill Closure Costs - (Decrease)/Increase in Liability	(612)	4,701	-	-	4,701
Transfers from Reserves and Reserve Funds	72,753	110,254	6,221	11,383	127,858
Proceeds of Debit issued for Regional Purposes	-	-	-	-	-
Total PSAB Additions	225,801	216,385	31,517	42,758	290,660
<b><u>PSAS Reductions to Budget</u></b>					
Gross Tangible Capital Assets Acquisitions	(364,719)	(327,029)	(82,032)	(77,293)	(486,354)
Less: Tangible Capital Asset Recoveries	24,971	52,417	962	18,343	71,722
Net Tangible Capital Asset Acquisitions	(339,748)	(274,612)	(81,070)	(58,950)	(414,632)
Debt Principal Payments	(22,076)	(11,003)	-	(5,971)	(16,974)
Transfers to Reserves and Reserve Funds	(103,252)	(99,849)	(8,956)	(26,022)	(134,827)
Contributed Tangible Capital Assets	(16,269)	(1,259)	(6,843)	(7,231)	(15,333)
Total PSAB Reductions	(481,345)	(386,723)	(96,869)	(98,174)	(581,766)
<b>Net Impact - (Increase) to Accumulated Surplus</b>	<b>(255,544)</b>	<b>(170,338)</b>	<b>(65,352)</b>	<b>(55,416)</b>	<b>(291,106)</b>

**Report:****1. 2020 Business Plans and Budget Overview**

- 1.1 This report provides key recommendations regarding the 2020 Regional Property Tax Supported Business Plans and Budgets for General Purposes, Solid Waste Management and Durham Region Transit. The 2020 Business Plans and Budgets and the recommendations herein represent the culmination of a significant effort by Regional staff to develop a budget focused on front line programs and services for Durham Region residents and businesses which ensures service levels are maintained – in response to reductions in provincial funding – while making responsible and strategic investments in key priority areas. The 2020 Business Plans and Budgets represent a net property tax budgetary increase of 2.2 per cent, lower than the overall 2.5 per cent guideline approved by Regional Council through Finance Report # 2019-F-44.
- 1.2 The recommended 2020 Business Plans and Budgets represent total gross expenditures of \$1,441.1 million (\$1,124 million operating and \$317.0 million capital), requiring a 2020 tax levy of \$696.8 million (\$530.2 million for operating and \$166.6 million for capital).
- 1.3 The recommended 2020 property tax increase of 2.2 per cent achieves an affordable, responsible tax increase for business and residential property owners and gives consideration to continued reassessment increases being phased-in. The proposed 2020 Business Plans and Budgets maintains core service levels while responding to significant reductions in provincial funding, meets service needs for a growing Region and provides for strategic investments to support the following key priority areas, namely:
- Respond to Growth and Affordability Pressures and Support the Vulnerable Sector
  - Innovate and Modernize Operations and Administration
  - Accommodate Ongoing Legislative and Regulatory Changes
  - Invest in Infrastructure Renewal
- 1.4 Many of the strategic investments in the proposed 2020 Business Plans and Budgets are focused on enhancing front line services to residents including:
- Enhancing emergency coverage along the 401 corridor with 12 new paramedics and a new 24 hour ambulance;
  - Continuation of paramedic Incident Response Unit (IRU) through evening hours enhancing opportunities for ACP response to critical calls;
  - Supporting seniors through the implementation of the Ontario Seniors Dental program;
  - Addressing poverty and social infrastructure of Durham communities through increased investments to reduce and eliminate homelessness;
  - Developing a Master Housing Strategy and completing a Portfolio Review of the DRLHC housing stock, including investing additional funds to meaningfully advance the outcomes from these reviews and achieve Council's affordable housing targets;

- Additional front line staff at the Region's long-term care homes including personal support workers, a nurse practitioner, a registered practical nurse and a recreational programmer
- Prioritizing investments in climate change, innovation and diversity initiatives
- Investing in transit service enhancements across the network; and
- Improving road safety through the implementation of various Vision Zero initiatives.

1.5 The following table provides a high-level overview of the 2020 recommended budget which represents a net property tax impact of 2.2 per cent or approximately \$59 for the Region-wide average residential home after assessment growth.

1.6 In 2020, provincial funding has been reduced in a number of program and service areas. Regional Council, through the setting of the 2020 budget guideline, provided for increased Regional tax levy, where possible, to ensure program and service levels were maintained. The provincial funding reductions for 2020 total \$3.6 million and have been offset by an increase in property tax funding of approximately 0.53 per cent.

#### Recommended 2020 Budget

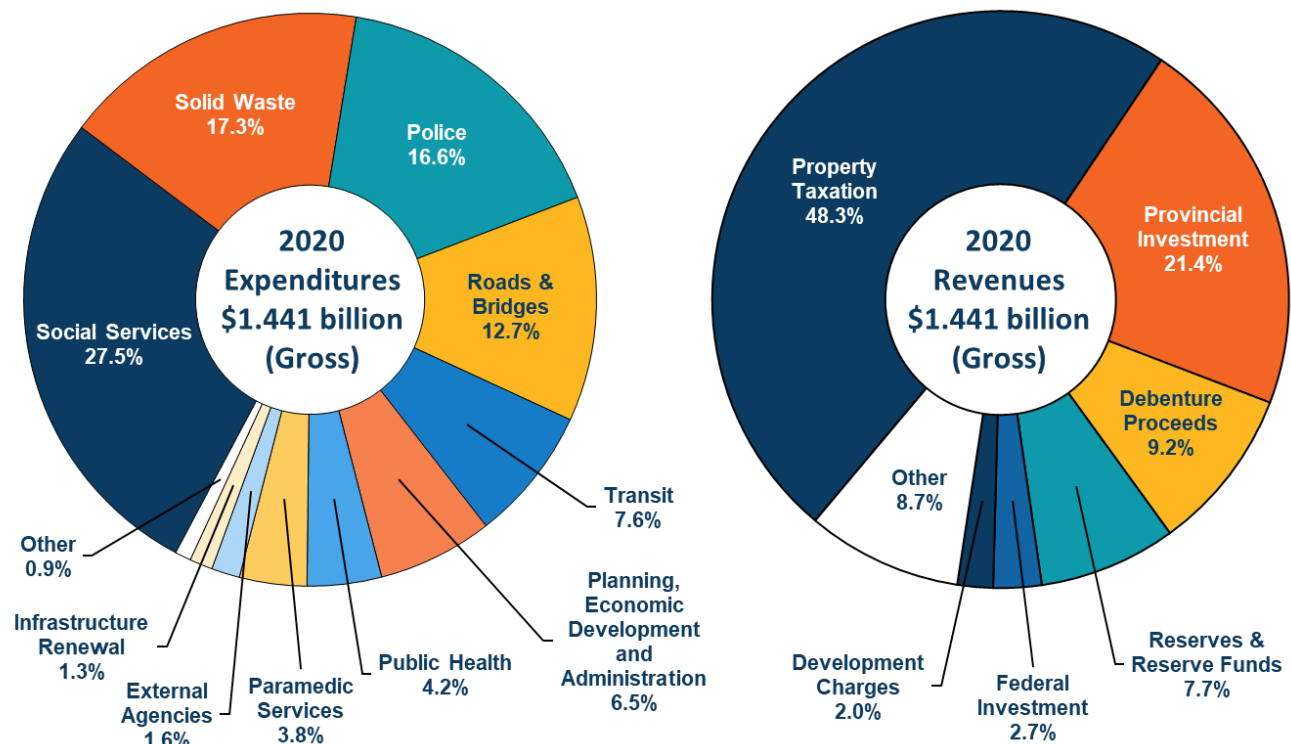
	2020 Increase (\$ millions)	Tax Impact (%)
Police Service	6,612	0.99
Durham Region Transit	2,552	0.38
Conservation Authorities	174	0.03
Solid Waste Management	(741)	(0.11)
Regional Operations and Other	18,035	2.69
Special Contributions	2	0.00
	26,634	3.98
Net Assessment Growth – Budgetary		(1.78)
Property Taxpayer Impact		2.20
Tax Impact of Mitigating Provincial Funding Reductions		(0.53)
Property Tax Impact (Excluding Provincial Funding Reductions)		1.67

- 1.7 The following table summarizes the Region of Durham's 2020 gross and net property tax budget. A more detailed schedule outlining the 2020 gross and net property tax and user rate budgets with prior year comparators is provided in Attachment #1 to this report.

### Recommended 2020 Budget

	Gross Expenditures (\$,000s)	Net Property Tax (\$,000s)
<b>Police Services</b>	<b>239,919</b>	<b>213,225</b>
<b>Durham Region Transit</b>	<b>109,266</b>	<b>60,702</b>
Roads and Bridges	182,830	90,257
Solid Waste Management	248,403	47,736
<b>Public Works</b>	<b>431,233</b>	<b>137,993</b>
Public Health	60,887	19,546
Paramedic Services	55,005	30,068
Long-Term Care	115,731	47,678
Social Housing	68,675	46,477
Social Assistance	121,954	18,718
Children's Services	82,101	10,913
Family Services	6,757	5,294
<b>Health &amp; Social Services</b>	<b>511,110</b>	<b>178,694</b>
Governance & Administration	76,876	37,025
Planning & Economic Development	10,464	9,449
Emergency Management & 9-1-1	7,819	5,380
<b>Other Regional Services</b>	<b>95,159</b>	<b>51,854</b>
Outside Agencies	22,365	22,365
Other	32,014	32,016
<b>Outside Agencies and Other</b>	<b>54,379</b>	<b>54,381</b>
<b>Property Tax Supported Services Total</b>	<b>1,441,066</b>	<b>696,849</b>

- 1.8 The following two pie charts provide greater detail on the property tax supported portion of the Region's budget.



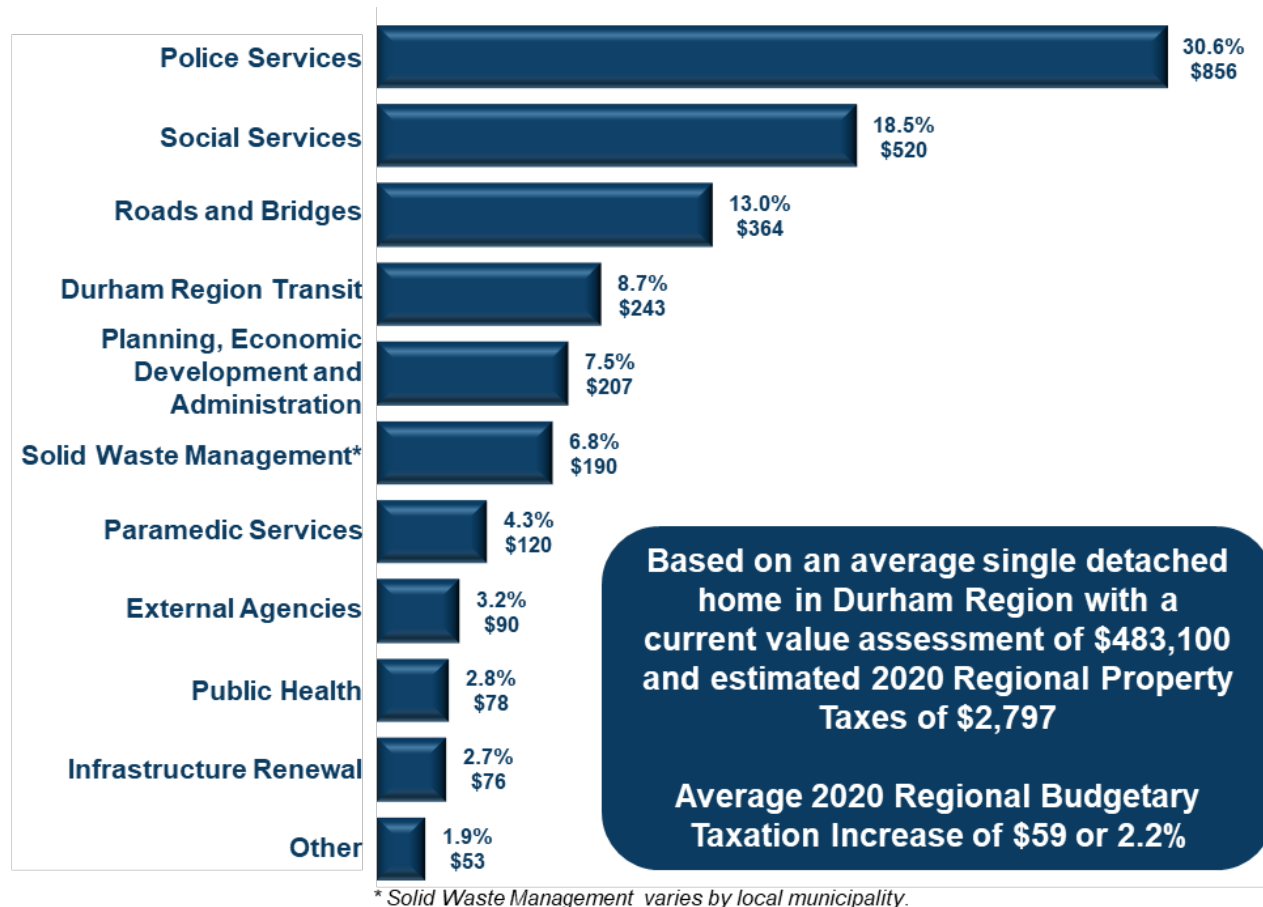
- 1.9 The gross 2020 property tax supported budget totals \$1.4 billion. The largest gross expenditure areas includes:

- Social Services 27.5 per cent
- Waste Management 17.3 per cent (largely driven by its capital program)
- Durham Regional Police 16.6 per cent
- Roads and Bridges 12.7 per cent
- Regional Transit 7.6 per cent

- 1.10 The \$1.4 billion property tax supported budget is funded from various sources including:

- Property Taxes 48.3 per cent
- Provincial Investment 21.4 per cent – Section 4, provides additional details on the impacts of changes in provincial funding.
- Reserve and Reserve Funds 7.7 per cent

- 1.11 The following graphic provides a breakdown of the Regional portion of the 2020 property bill based on the recommended 2020 budget where the average single detached homeowner in Durham will pay approximately \$233 per month, or \$2,797 annually for Regional property tax supported services based on a 2020 current value assessment of \$483,100.



## 2. Line-By-Line Savings Review

- 2.1 As part of the development of the proposed 2020 property tax supported Business Plans and Budgets, departments completed a line-by-line review. Departments, under the guidance of the CAO and the Commissioner of Finance, reviewed three years of historical actuals to identify 2020 base budget reductions that do not impact service levels that could offset financial pressures.

- 2.2 The following base budget savings totaling \$4.1 million (representing a reduction of approximately 0.6 per cent of the tax levy) have been identified and are reflected in the proposed 2020 property tax supported Business Plans and Budgets.

<b>Department/Division</b>	<b>Line-by-Line Review Savings (000's)</b>
Works – Roads and Bridges and Waste	\$986
Durham Region Transit	312
Planning and Economic Development	452
Public Health	671
Paramedic Services	190
Social Services	420
Finance Services	217
Corporate Services	22
CAO's Office and DEMO	60
Non-Departmental	743
<b>Total</b>	<b>\$4,073</b>

### 3. Use of Development Charges, Provincial and Federal Gas Tax and Reserves and Reserve Funds in the 2020 Business Plans and Budgets

- 3.1 Staff have identified and have included the sustainable use of reserves and reserve funds, development charges and provincial and federal gas tax to fund one-time expenditures in the 2020 Property Tax Supported Business Plans and Budgets while ensuring the Region's commitment to fiscal responsibility and long-term financial planning have been maintained. This is a significant shift from historical practice to allow for effective utilization of reserves and reserve funds to mitigate taxation impacts and deliver on Council priorities. The proposed use of reserve and reserve funds is aligned with their intended purpose.
- 3.2 The following table provides a summary of the contributions from development charges, provincial and federal gas tax and reserve and reserve funds utilized in the 2020 budget.

<b>Department/ Division</b>	<b>Description</b>	<b>DC, Reserve/ Reserve Fund, Gas Tax</b>	<b>Amount \$</b>
DRLHC	Energy Efficiency Retrofits	Federal Gas Tax	5,400,000
Emergency 9-1-1	Computer Telephony Integration System	Capital Project Reserve	285,000
Emergency 9-1-1	Voice Recorder System	Capital Project Reserve	240,000
Emergency 9-1-1	Private Branch Exchange	Capital Project Reserve	461,400
Emergency 9-1-1	Servers/SANS	Capital Project Reserve	264,000
Finance	Insurance – Claims Reserve	Insurance Reserve Fund	265,677
Finance	Claims Management Software	Insurance Reserve Fund	140,000
Finance	Courier Van Replacement	Equipment Reserve	40,000
Headquarters	Customer Relationship Management Software (CRM)	Innovation and Modernization Initiatives Reserve Fund	400,000
Headquarters	Voice Over IP (VoIP)	Capital Project Reserve	120,000



Department/ Division	Description	DC, Reserve/ Reserve Fund, Gas Tax	Amount \$
Headquarters	Core Public Switched Telephone Network (PSTN) Infrastructure	Capital Project Reserve	180,000
Headquarters/POA	RHQ Optimization	Capital Project Reserve	7,790,291
Health	101 Consumers Drive Modernization	Capital Impact Stabilization Reserve Fund	2,000,000
Health	New Ambulance	Development Charges	198,792
Health	Paramedic Master Plan	Development Charges	118,800
Non-Departmental	Official Plan Review – Growth Management Plan	Development Charges	120,000
Non-Departmental	Modernization and Enhancement of Corporate Systems	Capital Project Reserve	500,000
Non-Departmental	Farm 9-1-1 Initiative	Operating Impact Stabilization Reserve Fund	300,000
Police	Police Education and Innovation Centre – Transition Space	Capital Project Reserve	8,200,000
Police	Helicopter Maintenance Costs	Capital Project Reserve	239,065
Transit	Transit Capital Program	Development Charges	2,589,440
Transit	Transit Capital Program	Federal Gas Tax	10,100,000
Transit	Operations (base)	Provincial Gas Tax	1,611,000
Transit	Major Engines and Repairs	Provincial Gas Tax	1,491,105
Transit	Simcoe Rapid Transit Study	Provincial Gas Tax	60,000
Transit	Artic Training (one-time)	Provincial Gas Tax	150,682
Transit	Retiree Benefits	Sick Leave Reserve	420,000
Works	Energy from Waste – Interim Financing	Federal Gas Tax	9,069,777
Works	Phase in impacts of loss of market for paper processing	Waste Management Reserve Fund	992,300
Works	Litter Management – Blue Box Supplies (one-time)	Waste Management Reserve Fund	1,000,000
Works	Anaerobic Digestion Facility complemented by Mixed Waste Pre-Sort (subject to further approvals by Council)	Waste Management Reserve Fund	32,700,000
Works	Fleet Replacement	Equipment Replacement Reserve	7,467,100
Works	Operations	Durham Regional Forest Reserve Fund	9,784
Works	Roads Capital Program	Development Charges	25,761,060
Works	Roads Capital Program	Federal Gas Tax	10,100,000
Works	Roads Capital Program	Vision Zero Initiatives Reserve Fund	1,150,000
Works	Roads Capital Program	Regional Roads Reserve	9,813,940
Works	Roads Capital Program	Roads Rehabilitation Reserve Fund	27,250,000
Works	Roads Capital Program	Bridge Rehabilitation Reserve Fund	8,025,000
		<b>Total</b>	<b>177,024,213</b>

- 3.3 In October 2019, Regional Council endorsed the Durham Region Community Investment Grant Policy (Report # 2019-F-34) that included the criteria for Community Investment Grants for capital infrastructure investments in healthcare institutions, at the discretion of Regional Council and subject to approval during the annual Business Planning and Budget process. As a matter of housekeeping, the Special Contribution funding previously approved by Regional Council and set aside for disbursement to healthcare institutions in accordance with the process should be consolidated in the newly renamed Durham Region Healthcare Institution Reserve Fund.
- 3.4 Finance Staff will ensure the reserves and reserve funds are being appropriately used in the program areas for which they were created.

#### **4. Provincial Funding Impacts**

- 4.1 The Region currently receives approximately 21.4 per cent of its annual revenues through provincial investments and grants. Provincial funding has been reduced in many key program and service areas. Regional Council, through the setting of the 2020 budget guideline, opted to provide for increased Regional tax levy, where possible, to ensure program and service levels were maintained.
- 4.2 In addition to provincial funding reductions, the Province is changing funding models and is advancing the downloading of select services to the Region including the prosecution of POA – Part III offences and GO Transit bus service in North and East Durham. This follows after a time when the Region benefited from the uploading of Ontario Works benefit costs between 2010 and 2018.
- 4.3 It is only within the last few months that the Region has received confirmation on many of the 2019 funding levels. The proposed 2020 Business Plans and Budgets have been prepared based on the information currently available from the province. In the absence of funding confirmations for 2020, the Region has assumed that provincial funding will remain at the 2019 levels. The Region, though its long-term financial planning is positioned to be able to temporarily respond to any in-year reductions in provincial investment, allowing program areas the time needed to adjust programs and services to the new provincial investment levels and/or consider increasing Regional funding.
- 4.4 While the province has announced increased funding in 2019 and 2020 in key targeted program areas, this increased funding requires additional Regional program expenses and as a result cannot be used to mitigate the impacts of the provincial funding reductions in other program areas.
- 4.5 The following table summarizes the provincial funding reductions impacting the Region's 2020 Business Plans and Budgets. These reductions total \$3.6 million and have been offset by an increase in property tax funding of approximately 0.53 per cent to ensure that program and service levels are maintained.

<b>Program Area</b>	<b>2020 Impact – Provincial Funding Reduction (000's)</b>
Children's Services – Childcare Expansion Program	\$2,182
Children's Services – Fee Stabilization Administration	264
Social Assistance – Ontario Works Program Delivery	609
Paramedic Services	370
Public Health	46
Planning – Smart Commute Program	90
<b>Total</b>	<b>\$3,561</b>

4.6 The following sections provided additional details on each of the provincial funding reductions impacting the 2020 Business Plans and Budgets.

- Children's Services – Childcare Expansion Program – On January 1, 2020 municipalities are required to cost-share Expansion Plan operating funding at a rate of 80 per cent provincial and 20 per cent municipal (previously 100 per cent provincial funding). The impact of this change on the 2020 budget is \$2.2 million. Further changes in the funding formulas for administration costs will be implemented on January 1, 2021 and January 1, 2022 which will place further pressure on the Region's 2021 and 2022 budgets.
- Children's Services – Fee Stabilization Administration – The provincial government has reduced the amount of funding available for core administration of the Region's Children's Services program. This has resulted in an impact of \$0.3 million for the 2020 budget.
- Social Assistance – The 2019 – 2020 Ontario Works provincial funding was \$0.6 million less than what was planned for in the 2019 budget. While the 2020 funding has not yet been confirmed it is anticipated to be in-line with the final 2019 provincial funding. The Province has announced further modernization efforts impacting the Region's Social Assistance programs in 2021 and beyond. It is not clear what additional impacts these changes will have on provincial funding, cost sharing formulas and service delivery.
- Paramedic Services – While confirmation of 2020 funding has not been provided it is anticipated that the 2020 funding will be similar to the 2019 funding resulting in a \$0.4 million shortfall for the Region's 2020 budget. Unlike in previous years the Provincial government has not provided the full 50 per cent matching funding for the expansion of the Region's paramedic services.
- Public Health – The Province announced changes to the cost sharing arrangement with municipalities. For 2020, the provincial funding of mandatory programs is declining from 75 per cent to 70 per cent while the funding of 100 per cent provincial funding programs is dropping to 70 per cent provincially funded (with the exception of the Senior's Low Income Dental Program, which the province has indicated they will fund at 100 per cent). Further changes to the funding formula for 2021 and beyond are being contemplated by the Province. Based on the Region's current base funding level the impact of the change in the provincial funding formula for 2020 is \$46k.

- Smart Commute Program – In 2019, the Province announced that Metrolinx was terminating the service delivery agreement for the Smart Commute Program. The impact on the 2020 budget is \$90k to ensure that this program continues in the absence of provincial funding.

4.7 In addition to the implications outlined above, changes in the Housing Services Act will have implications on the Regional funded Rent Geared to Income (RGI) subsidy. Additional details are required to model the increased cost to the Region resulting from these changes.

## **5. Police Services Board Request for Additional Staff**

5.1 Durham Regional Police Services Board submitted a letter to Finance and Administration Committee for the November 12, 2019 meeting requesting \$1.5 million in additional funding above the Board's 2020 guideline of 3.2 per cent for the hiring of 20 additional officers for Durham Regional Police Services.

5.2 On November 27, 2019 Regional Council approved the 2.5 per cent target and Regional Council referred the Durham Regional Police Services Board additional funding request, above the 2.5 per cent guideline, to the 2020 budget process.

5.3 The additional funding request in the amount of \$1.5 million in 2020 (\$2.3 million annualized) for 20 new officers is not included in the 2.2 per cent proposed budget. Should Finance and Administration Committee opt to proceed approval of this request would result in an additional increase to the 2020 property tax levy of 0.22 per cent.

## **6. Investments in Climate Change Adaption and Mitigation**

6.1 Durham is a leader in environmental sustainability. The Durham Community Climate Change Adaptation Plan has received national recognition, winning the 2018 Sustainable Communities Award from the Federation of Canadian Municipalities. In 2019 Regional Council endorsed the Durham Community Energy Plan. Developed in partnership with all eight area municipalities and four local energy utilities, it is designed to improve energy efficiency, reduce GHG emissions and create high quality local jobs in the green energy sector.

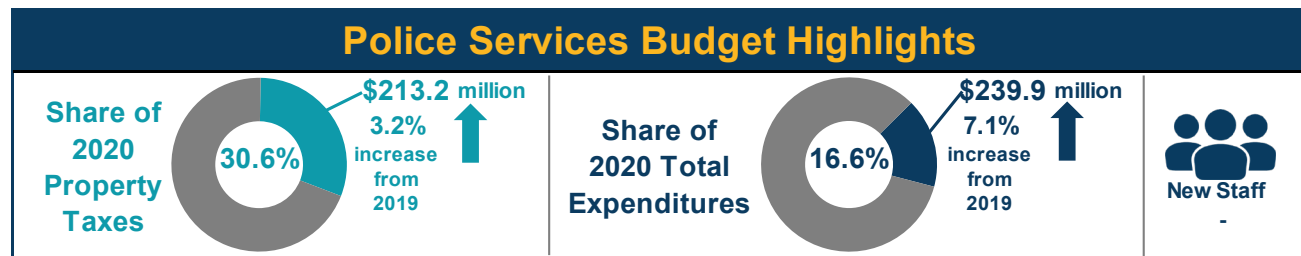
6.2 Through the 2019 budget, the Region made substantial increases in funding for climate change programs. With Council's declaration of a climate emergency in January 2020, the creation of a \$5 million Climate Change Mitigation and Environment Reserve Fund and identification of environmental sustainability as a key priority in the upcoming 2020-2024 Regional Strategic Plan, the Region will continue to work with partners and stakeholders to advance climate mitigation and adaptation initiatives across the region. With a focus on relentless program implementation, the Region will align corporate and community efforts, establish GHG emission reduction targets, and identify climate action priorities with resource implications. Working together with the federal and provincial governments as well as local partners, the Region will focus on improving affordability for residents by reducing costs and ensuring the Region's communities and infrastructure are resilient to the realities of a changing climate.

- 6.3 More specifically Regional Departments continue to demonstrate commitment to reducing energy use and greenhouse gas emissions in ongoing operations and infrastructure design, process optimization and retrofits. The cost savings from actions and initiatives implemented to date are incorporated into operating budgets, which include:
- Two full time staff reside within the Works Department, dedicated to energy management and achieving annual energy savings targets as part of the IESO's Embedded Energy Manager Program.
  - The Region currently utilizes anaerobic digestion processes at several of its water pollution control plants to produce biogas which is then used for facility heating, resulting in reduced natural gas consumption.
  - Studies have been completed assessing the feasibility of utilizing compressed natural gas and renewable natural gas for heavy fleet vehicles in its maintenance operations, along with opportunities for electrification of light fleet vehicles. Included in these studies were preliminary infrastructure requirements necessary to support conversion of the fleet to alternate fuel sources.
  - Construction of roundabouts, where appropriate, which keep traffic moving and reduce vehicle idling.
  - Culverts are oversized during construction and rehabilitation projects to mitigate potential climate change impacts.
  - Since 2014, the Region has documented total emissions avoidance of over 23,000 tonnes of carbon dioxide due to energy use reduction/avoidance projects within various facilities, resulting in avoided electricity utilization of almost 37 million kWh and avoided natural gas usage of almost 12 million m<sup>3</sup>.
  - Removal of 4,800 tonnes of waste materials from the Blackstock Landfill.
- 6.4 Through the 2020 Business Plans and Budgets, efforts to reduce energy consumption and GHG emissions continue through the following activities:
- Acquisition of Durham Region Transit's first battery electric buses and charging infrastructure.
  - Studies related to Integrated Resource Recovery (IRR) will continue for the Duffin Creek and Courtice Water Pollution Control Plants, focused on identifying opportunities to conserve and recover energy, water, nutrients and other materials from the treatment process.
  - 32 electric vehicle charging stations will be installed at various Regional facilities, supported by grant funding from the Zero Emission Vehicle Infrastructure Program.
  - Retrofitting the lighting system in Regional Headquarters to LED, along with improvements to the current lighting control systems is being reviewed.
  - The operations of heating and cooling systems will be evaluated to identify opportunities to further reduce energy consumption.

- A Durham Building Standard is under development, with an objective of selecting the best practices and standards in the industry (LEED, WELL, Green Building) to be incorporated into new Regional facility designs and renovation projects.
- Evaluation of optimal Regional sites for solar installations continues, including Regional Headquarters and Fairview Lodge, to complement the four existing locations currently generating solar power.
- A comprehensive building recladding project will commence in 2020 at the Durham Region Local Housing Corporation building located at 155 King Street in Oshawa. This project includes window and door replacements along with enclosure of balconies to improve the efficiency of the building.
- Planning work for landfill reclamation at the Scott Landfill in Uxbridge will commence.
- The design and solicitation of proposals for an anaerobic digestion facility complemented by mixed waste pre-sort to increase organics diversion will be undertaken.
- Window replacements and Building Automation System installations at the Durham Region Local Housing Corporation building located at 315 Colborne Street in Whitby.
- Initiating a road building pilot project with Regional waste material such as single use plastics and other Blue Box materials on a portion of Regional Road 18 in Clarington.
- The project to optimize and modernize space at Regional Headquarters will continue, preventing an increase in carbon footprint by eliminating the need to build and operate a new facility.

## 7. 2020 Business Plans and Budget – Details

The following sections provide additional details on the operating, staffing and capital highlights for each of the Region's main service areas as well as the high level risks and uncertainties facing the service areas over 2020 and the forecast period.



### Operating:

- Annualization of the 32 positions, including 20 front line constables, approved in the 2019 Budget (\$2.1 million)
- Reduction in debt servicing costs based on capital forecast (-\$0.5 million)
- Increase in the Helicopter Reserve Fund contribution to ensure sufficient funding is available to maintain the helicopter (\$0.1 million)

### Staffing:

- The Police Services Board has requested Regional Council consider an additional budget provision above the 2020 guideline of 3.2 per cent to enable the hiring of an additional 20 frontline officers (\$1.5 million in 2020; \$2.3 million annual cost). Section 5 of this Report provides additional details on this request

### Capital:

- The Police Services capital program totals \$13.1 million and includes funding for vehicles, equipment purchases and facility maintenance and renewal. Significant capital investments proposed include:
  - Education and Innovation Centre – Transition Space (\$8.2 million)
  - Data Storage device to support the E-Crimes server expansion project (\$0.3 million)
  - Voice Recording System shared with Emergency 9-1-1 and NextGen (total cost \$0.4 million – DRPS share \$0.1 million)

### Risks and Uncertainties:

- Respond to growing incidents of violence
- Leverage partnerships to help those living in need or in high-risk neighbourhoods
- Recruitment efforts including diversifying workforce
- Responding to changing legislation, including the *Cannabis Statute Law Amendment Act, 2018*

## Transit Budget Highlights



### Operating:

- Transit service improvements of up to 550,338 revenue hours of services (a net increase of 13,195 hours over 2019 base service hours). This includes annualization of 2019 service enhancements and 2020 services enhancements and efficiencies. The 2020 service plan includes 12.064 service hours to be phased in over 2020 and 2021. The total annual net cost of the 2020 services enhancements is projected at \$0.5 million with \$0.4 million provided for in the 2020 budget
- Major repair costs for vehicles approaching end of life and mid-life engine and transmission replacements and refurbishments (\$2.0 million)
- Increase in the PRESTO transaction fee as specified in the Metrolinx-905 transit agency operating agreement (\$0.2 million)
- Increase in route maintenance costs for snow and ice clearing (\$0.2 million)
- Initiate long term planning activities including DRT Strategic Plan (\$0.1 million) and Simcoe Street Rapid Transit Visioning Study (\$0.1 million)
- Soil contamination monitoring at Oshawa depot (\$0.1 million)
- Continue 2019 ridership incentive initiatives including Kids Ride Free, Y10 youth ten-month loyalty pass, and the Transit Assistance Program (TAP) pilot (\$0.3 million)
- Net increase in fare revenue as a result of ridership growth, shifts in fare media used, and approved fare increase (-\$0.5 million)
- Increase in U-Pass revenue as a result of increased enrollment, annualization of 2019 rate increase and 2020 rate increase effective September 1, 2020 (-\$0.4 million)

### Staffing:

- Seven new full time operator positions to support proposed increase in service hours
- Four new full time maintenance positions, two mechanics and two service persons, to meet the increase in service hours and growth in the fleet (\$0.2 million in 2020; \$0.4 million annual cost)
- One new full time Safety Coordinator to support workplace health and safety needs (\$0.1 million in 2020; \$0.1 million annual cost)



**Capital:**

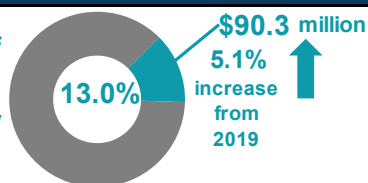
- Durham Region Transit capital program totals \$15.3 million and includes funding for vehicles, equipment purchases and facility maintenance and renewal. Significant capital investments proposed include
  - Acquisition of eight battery electric buses (\$9.2 million) and associated charging infrastructure (\$0.9 million)
  - Land acquisition for new indoor bus storage/servicing facility (\$3.8 million)
  - Various technology enhancements to enhance service (\$0.3 million)
- Regional funding totaling \$20.2 million (total cost of \$60.1 million) in 2020 for 14 Investing in Canada Infrastructure (ICIP) projects are not included in the 2020 Business Plans and Budget. Projects include dedicated bus lane installations, fleet acquisition, safety and accessibility improvements, and modernization initiatives as detailed in Report #2019-DRT-20. Upon project approval by the federal and provincial governments, staff will report to Council for approval of the final financing strategy and execution of the contribution agreement(s)

**Risks and Uncertainties:**

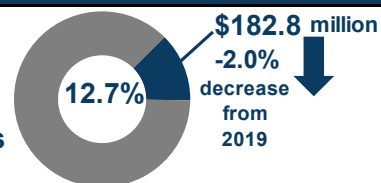
- Maintaining existing services and improving service levels in communities experiencing rapid population growth and development
- Timely repair and replacement of aging fleet to mitigate major repair costs
- Volatility of fuel price and weather related impacts
- Uncertainty of timing for project approvals under the Investing in Canada Infrastructure Program
- The province is reviewing the provincial gas tax program and there is uncertainty as to the outcomes of this review and any pending impact on the Region's receipt of funding under this program
- Ridership impacts of broader economic performance and unemployment trends

**Roads and Bridges Budget Highlights**

Share of  
2020  
Property  
Taxes



Share of  
2020 Total  
Expenditures



  
New Staff  
11

**Operating:**

- Implementation of Durham Vision Zero countermeasures, including implementation of red light camera technology (\$0.7 million) and automated speed enforcement measures (\$0.6 million)
- Increase in road maintenance costs in response to growth and historical service demands (\$1.6 million)

**Staffing:**

A total of 11.344 new full time equivalent employees (FTEs) are proposed as follows:

- New permanent resources to support the delivery of capital projects and operating activities. The cost of these positions is allocated at varying levels to capital projects or maintenance activities:
  - Two SWAT Labourers in Construction Management (\$35.0k for 0.716 FTE) to aid with watermain disinfection, sampling and pressure testing for all subdivisions and regional capital construction (Annualized cost \$69.2k)
  - Project Manager in Transportation Design (\$80.0k for 1.000 FTE) to provide technical oversight and leadership on internal and external roads projects (Annualized cost \$159.6k)
  - Works Technician 5 in Transportation Design (\$62.0k for 1.000 FTE) to undertake senior level road design, reducing reliance on external consulting, and to provide support for the Project Manager (Annualized cost \$124.7k)
  - Senior Project Coordinator in Facilities Design, Construction and Asset Management (\$17.0k for 0.288 FTE) to provide support in the delivery of facility capital projects driven by growth and asset management requirements (Annualized cost \$34.0k)
  - Vehicle and Equipment Trainer in Maintenance Operations (\$21.0k for 0.340 FTE) to support the expanded role in providing training to vehicle and equipment operators in all Regional departments and divisions (Annualized cost \$42.0k)
- New permanent positions to support Visions Zero:
  - GIS Specialist (\$40.0k for 1.000 FTE) to assist in assessing collisions and preparing metrics to enable staff to easily report on collision trends (Annualized cost \$79.8k)
  - Project Engineer (\$73.0k for 1.000 FTE) to provide necessary professional engineering and project management services through the planning, approval and managing of traffic control signal and intersection design projects (Annualized cost \$145.7k)
  - Project Engineer (\$73.0k for 1.000 FTE) to oversee the Region's Strategic Road Safety Action Plan and Durham Vision Zero (Annualized cost \$145.7k)
  - Works Technician 2 (\$51.0k for 1.000 FTE) to complete countermeasures such as installing ladder crosswalk markings, crosswalks, stop bars, chevron signs, etc. at high risk locations (Annualized cost \$102.2k)
- New permanent positions to support the implementation of the Enterprise Maintenance Management System:
  - Works Technician 5 (\$62.0k for 1.000 FTE) to manage detailed data requirement and preventative maintenance programming (Annualized cost \$124.7k)
  - Technical Assistant (\$44.0k for 1.000 FTE) to determine the scope of work orders and assign to appropriate crews for action (Annualized cost \$87.1k)
  - Technical Assistant (\$44.0k for 1.000 FTE) to utilize GIS to identify need for locates based on calls from ON1 Call (Annualized cost \$87.1k)
  - Works Technician 2 (\$52.0k for 1.000 FTE) to assist in coordinating/quality control of contractors, organizing the Annual Count Program Contracts, help to expand the Count Program to include cycling and pedestrian counts, and growing and maintaining the Region's speed radar devices (Annualized cost \$102.2k)

**Capital:**

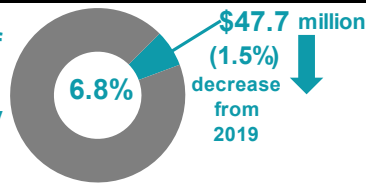
- Total roads and bridge construction program of \$88.3 million. The 2020 program includes:
  - Road rehabilitation projects totaling \$38.7 million
  - Bridge rehabilitation and replacement projects totaling \$8.5 million
  - Growth related road infrastructure projects totaling \$29.9 million
  - Traffic control projects totaling \$7.4 million including specific Durham Vision Zero projects totaling \$1.5 million
- Continued investment in cycling, including approximately 19 kilometres of new multi-use paths and paved shoulders.
- Total fleet and equipment acquisition projects totaling \$8.3 million
- Installation of standby power at the Oshawa/Whitby and Sunderland Maintenance Operations Depots (\$0.3 million)

**Risks and Uncertainties:**

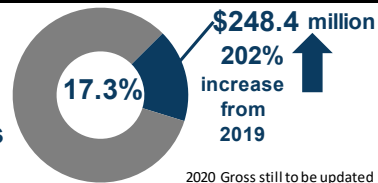
- Growth across the Region will increase the demand for services to support resident and businesses as well as the operational and maintenance requirements for Regional infrastructure
- Ensuring sufficient staff resources to deliver a growing capital program and resulting maintenance and operational demands
- Changing and unpredictable weather patterns and climate change impact treatment operations as well as preventative and reactive maintenance activities for the Regional road infrastructure
- Inflation and commodity price fluctuations may increase pressure on operating programs, particularly those delivered with contracted services
- Changes in local market demands for engineering and construction services can impact industry capacity for infrastructure projects

## Solid Waste Management Budget Highlights

Share of  
2020  
Property  
Taxes



Share of  
2020 Total  
Expenditures



New Staff  
1

### Operating:

- Implementation of litter mitigation initiatives related to the Blue Box Program (\$1.0 million)
- Incremental investment in promotional and educational efforts (\$0.2 million) including the introduction of new messaging across multiple platforms targeting improved waste diversion. Messaging will focus on managing food as a resource, addressing misconceptions surrounding the green bin program and tips to reduce green bin issues including fruit fly prevention and bag breakage
- Phase-in of the remaining 2019 commodity price decrease of \$2.5 million (\$1.25 million in 2020)
- Additional pressure on commodity revenues, including a shift from revenue to cost for paper processing with an estimated 2020 budget impact of approximately \$1.0 million. It is proposed that this impact be phased-in through a one-time draft from reserves funds

### Staffing:

A total of 1.055 new full time equivalent employees (FTEs) are proposed as follows:

- New permanent resources to support the delivery of capital projects and operating activities. The cost of these positions is allocated at varying levels to capital projects or maintenance activities:
  - Senior Project Coordinator in Facilities Design, Construction and Asset Management (\$3.0k for 0.055 FTE) to provide support in the delivery of facility capital projects driven by growth and asset management requirements (Annualized cost \$6.0k)
  - Manager, Policy and Transitioned Programs, in Waste Administration (\$96.0k for 1.000 FTE) to provide support to navigating a complex planning process to optimize the efficiencies and effectiveness of extended responsibility program (Annualized cost \$192.5k)

### Capital:

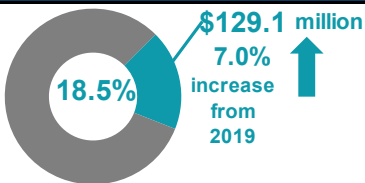
- Preliminary design work for landfill reclamation at the Scott Landfill, in the Township of Uxbridge (\$0.1 million)
- Design and Request for Prequalification (RFPQ)/Request for Proposal (RFP) issuance for an anaerobic digestion facility complemented by mixed waste pre-sort to increase organics diversion (\$163.5 million)

### Risks and Uncertainties:

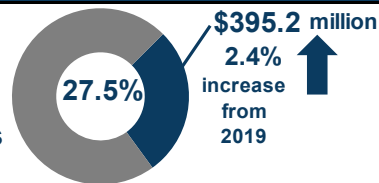
- Risks related to legislative changes, regulations and provincial reviews including:
  - Completion of the streamlined EA and ECA amendment to increase the DYEC's annual permitted processing capacity
  - Transition to extended producer responsibility regime including the timing and content of regulations supporting the transition
  - Compliance with Ontario's food and organic waste policy statement
- Impacts of the markets and unfavourable pricing present significant uncertainty to recycling commodity revenue

### Social Services Budget Highlights

Share of  
2020  
Property  
Taxes



Share of  
2020 Total  
Expenditures



  
New Staff  
11

### Operating:

- Continued investment in social programs across the department with no anticipated reduction in the level of services to our clients despite significant reductions in provincial funding subsidies
- Undertake a comprehensive Master Housing Strategy (\$0.3 million) to operationalize and support the goals of At Home in Durham, including a fulsome review of the current housing system and revitalization of the Regionally owned Durham Regional Local Housing Corporation (DRLHC) portfolio (\$0.1 million)
- Provision to advance the recommendations resulting from the Master Housing Strategy to achieve Council's affordable housing targets (\$1.0 million)
- Continued support for the reduction and elimination of homelessness with significant investments from both Federal and Provincial levels of government (\$9.5 million)
- Evaluation of the On-Point pilot, a used needle collection program which also provides employment and support opportunities to participants with lived experience of homelessness
- Continue the work started in 2019 of the Human Trafficking Response Team (\$0.2 million)
- Complete a Fee Subsidy waitlist modernization project to support a smooth and efficient intake process for children and families
- Opening a 26 bed Behavioural Specialized Unit at Fairview Lodge. This unit is the first of its kind in Durham Region and the surrounding area. It brings an enhanced level of care for individuals experiencing responsive behaviours in conjunction with dementia

**Staffing:**

A total of 11 new positions are proposed as follows:

- Program Assistant in Housing Services (\$44k) to administer the Reaching Home program (Annualized cost \$88k), funded through federal Investments
- Training Specialist in Children's Services (\$51k) to deliver Indigenous-led programming that supports Early Learning and Child Care community (Annualized cost \$103k) funded through provincial investments
- Personal Support Worker at Hillsdale Estates (\$37k) to support residents and create stability within the current staffing model (Annualized cost \$74)
- Nurse Practitioner at Hillsdale Estates (\$80k) to expand current nursing and medical services (Annualized cost \$160)
- Registered Practical Nurse at Hillsdale Estates (\$44k) to support residents with dementia through the provision of expertise in the area of responsive behaviours management and to improve the overall quality of care and enhance safety in the Home (Annualized cost \$88k)
- Coordinator of Administrative Services at Hillsdale Terraces (\$56k) to oversee a variety of non-clinical nursing functions currently being managed by nursing managers (Annualized cost \$112k)
- Personal Support Worker (\$37k) for the Behaviour Supports Ontario team to address resident care and complexity (Annualized cost \$73k)
- Recreation Programmer at Hillsdale Terraces (\$37k) to allow for increased individualized resident programming to enhance quality of life, engage residents in a meaningful way and reduce boredom (Annualized cost \$73k)
- Personal Support Worker (\$37k) at Fairview Lodge to address resident safety on night shifts. Due to increasing resident frailty and/or responsive behaviours, most residents require 2-person care. The addition of a PSW will allow staff to more quickly respond to care needs (Annualized costs \$74k)
- Two Personal Support Workers (\$74K) at Lakeview Manor to improve capacity for managing increased behaviours and level of care, and to allow for consistent staffing levels across all Resident Home Areas (Annualized cost \$147k)

**Capital:**

- Over \$2.4 million in replacement of equipment, repairs and renovations to directly enhance and maintain resident care at the Region's Long-Term Care facilities

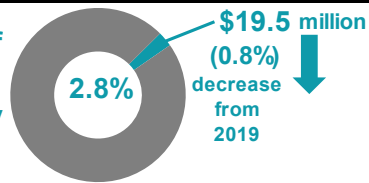
**Risks and Uncertainties:**

- Uncertainty of provincial investment. The 2020 budget submission includes provincial funding based on the levels currently known. Uncertainty affects the Region's ability to plan and deliver services benefitting the Durham community. Reductions in provincial investment have a significant impact on the Region's own resources and its ability to address community needs such as poverty reduction
- Uncertainty of provincial program changes. The provincial government has announced planned changes to the delivery of employment services, however the scope and design of these changes are unknown
- It is unclear what the impact will be of the Ontario Health Teams (OHT) on the funding and operations of Long-Term Care, its Adult Day Programs and mental health and addiction services. It is important that the Region continue its participation on the steering committees of OHTs in the Region's catchment areas as they continue to develop
- Provincial funding and implementation decisions regarding the roll-out of the Ontario Structured Psychotherapy program has the potential to impact the Family Services Division
- Expansion of the Primary Care Outreach Program (PCOP) services to areas of Durham outside Oshawa will require careful monitoring of social work staff resources
- Within the Social Housing program, End of Operating Agreement/End of Mortgage may make it difficult to meet the legislated service level standard of 4,446 Rent Geared to Income (RGI) units and the new provincial RGI calculation methodology may increase Durham's rent subsidy costs
- Continue to address waitlists in several social service program areas including Child Care Fee Subsidy, individual, couple or family counselling services, behaviour management and affordable housing

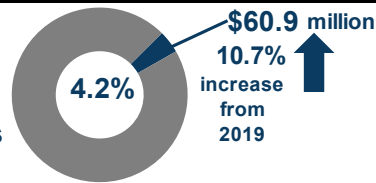


## Public Health Budget Highlights

Share of  
2020  
Property  
Taxes



Share of  
2020 Total  
Expenditures



  
New Staff  
1.0

### Operating:

- Small reduction in provincial subsidy for Public Health due to the Public Health Modernization changes is anticipated (\$46k)
- Pandemic supplies to ensure stock is on hand in the event of an outbreak

### Staffing:

- Tobacco Enforcement Officer (\$54k) due to increased enforcement activities related to cannabis use and the Regional Smoking and Vaping By-law (Annualized cost \$108k)

### Capital:

- Capital costs for major dental equipment, instruments and office equipment (\$409k) to support implementation of the new Ontario Seniors Dental Care Program (OSDCP). It is anticipated that capital costs related to OSDCP implementation will be funded through provincial subsidy
- Capital costs for renovation of the new Oral Health Clinic space (\$2.0 million). It is anticipated that costs will be funded through provincial subsidy as has been reflected in the budget submission
- Replacement of four large vaccine fridges (\$80k) contingent on one-time 100% provincial funding
- Public Health portion of the space optimization program at 101 Consumers (\$2.0 million)

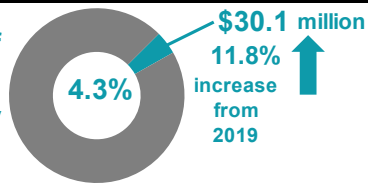
### Risks and Uncertainties:

- Public Health Modernization, which may impact public health funding, governance and organizational structures across the province
- Growing population leading to an increased need for public health program and services
- Changing population needs in Durham Region which would impact the way programs and services are delivered
- Changes to provincial legislation that would impact programs and services

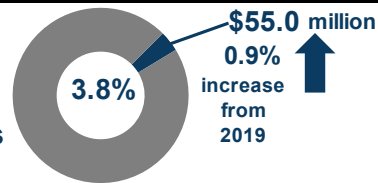


## Paramedic Services Budget Highlights

Share of  
2020  
Property  
Taxes



Share of  
2020 Total  
Expenditures



New Staff  
13

### Operating:

- Increased investment in the Incident Response Unit (IRU) to provide services through the evening hours enhancing opportunities for ACP response to critical calls (\$240k)
- Investments in mental health support and training for staff and the peer support team (\$100k)
- Anticipated reduction in provincial subsidy for Paramedic Services (\$358k)

### Staffing:

- Superintendent position (\$80k) to improve and support for frontline staff (Annualized cost \$150k)
- Six new Primary Care Paramedics (PCPs) and six new Advanced Care paramedics (ACPs) (\$815k) to enhance emergency coverage along the 401 corridor with a new 24-hour ambulance (Annualized cost \$1.6 million)

### Capital:

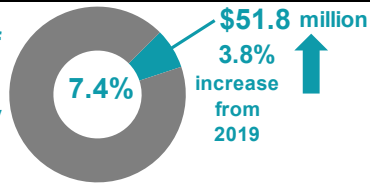
- One new ambulance and associated equipment to be deployed along the Lakeshore corridor (\$269k)
- Paramedic Master Plan (\$200k)
- Replacement of 10 ambulances that have reached the end of their useful life (\$1.6 million)
- Replacement of a command vehicle that has reached the end of its useful life (\$76k)
- Ongoing funding for the new Clarington Paramedic Response Station (\$1.8 million)

### Risks and Uncertainties:

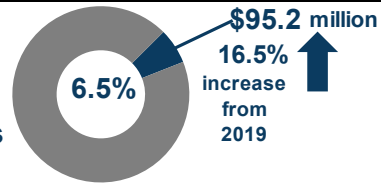
- Emergency Health Services Modernization, which may impact emergency services funding, scope of emergency services and organizational structures across the province
- Increasing call volumes impacting capacity
- Increasing offload delays resulting in less paramedics available to respond to emergency calls

## Corporate Administration, Planning and Economic Development Highlights

Share of  
2020  
Property  
Taxes



Share of  
2020 Total  
Expenditures



New Staff  
20

### Operating:

- Develop initial policy directions for a new Regional Official Plan as part of Envision Durham (\$210k)
- Initiate work and consultation on the design and development of a Regional Community Improvement Plan (\$125k)
- Implement the Region's new Development Tracking System which will track land development applications through their entire life cycle, streamline the application process and improve efficiency (\$620k)
- Update the Region's Cycling Master Plan
- Develop a new Tourism Strategy and refresh the Economic Development Strategy and Action Plan (\$45k)
- Advance the servicing of employment lands to increase Regional investment readiness
- Develop and implement a new Marketing Strategy and Advertising plan including delivering marketing campaigns through innovative digital channels to grow awareness of the Region, support the growth of the energy, environment, and engineering (EN3) cluster and the Region's innovative technology cluster
- Advance the deployment of broadband infrastructure to underserved areas (\$121k)
- Implement the Corporate Customer Service Strategy and Citizen Experience Transformation Project as set out in the recommendations provided by Pricewaterhouse Coopers (\$0.3 million)
- Implement, monitor, and promote the Region's new Strategic Plan (\$96k)
- Develop new partnerships, conduct outreach and undertake research to support various government relations initiatives (\$150k)
- Undertake and begin to implement a Regional Smart Cities framework to use technology to improve services (\$200k)
- Drive implementation of the Region's climate change adaptation and mitigation plans, including the Durham Community Climate Change Adaptation Plan and Durham Community Energy Plan (\$275k)
- Projected POA revenue increase from red light camera and automatic speed enforcement initiatives (\$1.9 million)

**Staffing:**

- Prosecutor (\$125k) to support the increase in charges resulting from Automatic Speed Enforcement and Red Light Camera initiative. These new programs have the potential to double the number of cases that the current POA environment processes each year. Projected incremental fine revenue will offset these costs (Annualized cost \$125k)
- Prosecution Assistant (\$95k) to provide support to prosecutors due to Automatic Speed Enforcement and Red Light Camera initiatives. These new programs have the potential to double the number of cases that the current POA environment processes each year. Projected incremental fine revenue will offset these costs (Annualized cost \$95k)
- Prosecutor (\$63k) to support matters relating to local tier prosecutions. A portion of the incremental cost for this position is projected to be recovered from local municipalities (Annualized cost \$125k)
- Prosecution Assistant (\$47k) to provide support to prosecutors due to growth and increased workload from the processing of Body Worn Camera charges and increased volume of charges from local tier prosecutions. A portion of the incremental cost for this position is projected to be recovered from local municipalities (Annualized cost \$95k).
- Information Management Technician (\$48k) to support information management initiatives and ensure that the Regional staff adhere to legal requirements under the Records Retention By-Law (Annualized cost \$96k)
- Senior Technology Analyst (\$63k) to manage all aspects of information technology infrastructure projects from initiation to closure, provide technical guidance and leadership for enterprise projects and future technologies (Annualized cost \$126k)
- E-Learning Specialist (\$61k) to provide skilled resources for the development and implementation of e-Learning training modules for various corporate programs and become more efficient in the delivery of such services (Annualized cost \$122k)
- Disability Management Analyst (\$111k) to support increasing workload for the disability case management program and provide necessary resources to comply with legislative requirements (Annualized cost \$111k)
- Diversity Program Manager (\$61k) to support the Corporate Diversity and Inclusion Strategy as approved by Regional Council and the various initiatives resulting from growing awareness of diversity and inclusion within the organization and commitments associated within the strategy (Annualized cost \$122k)
- Videographer (\$51k) to provide Communications with videography support by developing videos to enhance the corporation's internal and external profile while informing staff and the community of regional programs, initiatives and events through digital media marketing (Annualized cost \$102k)
- Director, Transit Oriented Development (\$105k) to lead and provide strategic direction in planning and implementing Transit Oriented Development (Annualized cost \$210k)
- Administrative Assistant (\$47k) to support the planning and implementing of Transit Oriented Development (Annualized cost \$93k)
- Investment Portfolio Manager (\$96k) to facilitate the Region's shift from passive portfolio management to more active portfolio management. The incremental cost of this position is expected to be more than offset by increased interest revenue (Annualized cost \$192k)

**Staffing:**

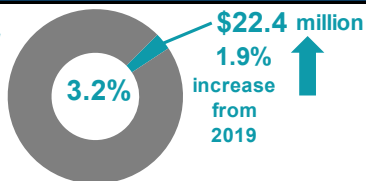
- Senior Financial Analyst 2 (\$63k) to facilitate the Region's shift from passive portfolio management to more active portfolio management. The incremental cost of this position is expected to be more than offset by increased interest revenue (Annual cost \$126k)
- Procurement Analyst (\$59k) to support the implementation and expansion of the P-card program (Annual cost \$118k)
- Clerk 1 (\$35k) to support on-line procurement software utilization (Annualized cost \$70k)
- Senior Accounting Clerk (\$44k) to address priority projects and maintain payment service levels (Annual cost \$88k)

**Capital:**

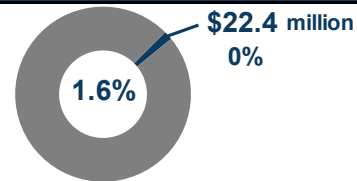
- Acquisition of Computer Telephone Integration System, Voice Recorder System and supporting technology infrastructure to support and enhance Emergency 9-1-1 services (\$1.3 million)
- Acquisition/upgrade to various software systems including Records Management System (\$80k); Health and Safety Management System Software (\$50k), Crestron System (\$200k) and Customer Relationship Management System (CRM) (\$400k)

**External Agencies Highlights**

Share of  
2020  
Property  
Taxes



Share of  
2020 Total  
Expenditures

**Conservation Authorities:**

- The 2020 budget for Conservation Authorities includes \$6,115,288 for operations, \$1,693,446 for special benefitting projects and \$200,000 for land management for the Region's five Conservation Authorities
- The 2020 funding for the York/Peel/Durham/Toronto Groundwater Management Initiative is recommended to remain at \$175,000 to finance ongoing groundwater protection initiatives jointly funded by the City of Toronto, Region of York and Region of Peel
- In addition, the Conservation Authorities submitted the following requests for special one-time funding from the Land Conservation and Protection Reserve Fund for specific projects and initiatives for Council's consideration. Each of these four projects is a continuation of a multi-year initiative that was approved as part of the 2019 Business Plans and Budgets

### Conservation Authorities:

- **Central Lake Ontario Conservation Authority** – Restoration Program \$150,000 (Year Two of Five) – under this program CLOCA will implement restoration projects, apply for funding, prepare progress reports and foster long term partnerships with watershed businesses, community organizations and landowners. Under this program CLOCA can initiate a restoration project that will have an overall ecological benefit, improve watershed health and work to mitigate the impacts of growth and climate change
- **Kawartha Conservation Authority** – Watershed Planning Update \$30,000 (Year Two of Two) – this project will provide the most current information related to Water Resource Systems and Watershed Planning to assist with the Region's Municipal Conformity Review exercises. This project will also help to process Planning Act applications faster while ensuring conformity with provincial policy
- **Kawartha Conservation Authority** - Website Design and Implementation \$7,080 (Year Two of Two) – under this project Kawartha's Conservation Authority's website will be updated and improved for on-line application submissions, on-line payments and improved information dissemination
- **Kawartha Conservation Authority** – Digitization of Corporate Records \$5,310 (Year Two of Five) – this project is integral to expediting applications and improving customer service along with meeting the requirements under the Information and Privacy Act
- Central Lake Ontario Conservation Authority, as part of their 2020 budget submission, requested that the Region of Durham provide supplemental 2020 funding in the amount of \$60,388.47 to cover the reduction in funding from the Province for Natural Hazard Management Programming. The Province has cut funding to all conservation authorities for Natural Hazard Management Programming. It should be noted that the budget submitted by the Central Lake Ontario Conservation Authority was balanced without this incremental funding from the Region.

### Special Funding Requests:

- **Trent University Durham** – as part of the 2019 Business Planning and Budgets, Regional Council approved annual funding of \$474,000 per year for three years to a maximum of \$1.42 million to Trent University Durham for the expansion of their Durham Campus. The proposed 2020 Business Plans and Budgets provides for the second annual payment of \$474,000 at the discretion of the Commissioner of Finance and subject to the accountability of capital costs and the achievement of key milestones outlined in the funding agreement
- **Durham College – Whitby Campus** – Durham College has requested a \$2 million community investment grant allocated over three years, to support the capital expansion of the College's Whitby campus. The total cost of the project is estimated at \$35 million. This project involves the construction of a new 60,300 square foot building which will allow the College to expand its capacity in the millwright, elevator and electrical skill trades programs as well as provide for necessary student space. With this new addition, the College will be able to increase its intake at the Whitby campus by 700 to 750 students over three to five years. Durham College's application adheres to all the conditions of the funding formula for post-secondary institutions, including capping the Regional request to 5.7 per cent of total project costs. Durham College also received provincial approval to take on a \$20 million project loan, which demonstrates provincial support for the project

### Special Funding Requests:

- It is recommended that the request for funding from Durham College for up to a maximum of \$2.0 million over three years (\$666,667 per year) for the construction of a new 60,300 square foot building be approved, with the required financing to be provided for annually from the Durham Region Community Investment Grant envelope; and further that funds be released at the discretion of the Commissioner of Finance subject to an executed funding agreement and accountability of capital costs
- **Oak Ridges Hospice –** In 2017, Oak Ridges Hospice of Durham received provincial approval for the construction of a 12,500 square foot five -bed residential hospice in Port Perry. During the 2018 budget deliberations, Regional Council approved a funding allocation of \$350,000 for the Port Perry hospice facility. This amount represented 7.5 per cent of the total capital project costs in accordance with the healthcare institution funding guideline.
- On November 8, 2019, the Provincial Government announced \$600,000 in additional funding to expand the Port Perry hospice facility from five to eight beds. The newly planned expansion of the Port Perry hospice facility has led to an increased capital project cost estimate of approximately \$9.46 million, which will only be partially offset by increased provincial funding commitments. The Provincial Government provides a maximum capital funding contribution of \$200,000 per bed for hospice facilities.
- It is recommended that an additional Regional funding allocation of up to \$359,650 be provided to Oak Ridges Hospice of Durham for the planned expansion of the Port Perry hospice. The additional allocation is based on the revised capital budget submission provided by Oak Ridges Hospice Durham and represents 7.5 per cent of the total capital budget costs, less the original \$350,000 funding amount, in accordance with the Durham Region Community Investment Grant Policy
- **Durham Region Hospice –** In 2017, Durham Region Hospice received provincial approval for the construction of a 7,600 square foot five-bed residential hospice. This amount represented 7.5 per cent of total capital project costs in accordance with the healthcare institution funding guidelines.
- The Provincial Government has recently committed an additional \$800,000 to expand the Clarington hospice facility from five to nine beds. The newly planned expansion of the Clarington hospice facility has led to an increased capital project cost estimate of approximately \$6.73 million which will only be partially offset by increased provincial funding commitments. The provincial government provides a maximum capital funding contribution of \$200,000 per bed for hospice facilities.
- It is recommended that an additional Regional funding allocation of up to \$359,650 be provided to Oak Ridges Hospice of Durham for the planned expansion of the Clarington hospice. The additional allocation is based on the revised capital budget submission provided by Durham Region Hospice and represents 7.5 per cent of the total capital budget costs, less the original \$265,650 funding amount, in accordance with the Durham Region Community Investment Grant Policy.

## 8. Multi-Year Commitments: Impact on Future Budgets

### 8.1 Known and significant financial pressures to be financed over the forecast period include:

- Staff annualization costs for the 69.4 positions proposed in the 2020 budget (\$8.0 million gross in 2021 an increase of \$3.6 million over 2020)



- 2020 Transit Service Plan enhancements (\$0.1 million net in 2021)
- Road rehabilitation needs, growth related road expansion projects and bridge and structure rehabilitation and replacement needs have been identified over the forecast period (2021 – 2029) of approximately \$1.2 billion.
- Advancing the servicing of employment lands
- Facility expansions over the 2021 – 2029 forecast period to provide services for a growing and more diverse population and meet the current and future staffing requirements to service these demands.
- Potential future revenue loss related to marketed recycling commodities and removal of stabilization funding provided in 2020 (\$1.0 million)
- Potential new regionally operated long-term care home subject to Ministry and Council approval.
- Increased operating cost pressure for long-term-care homes to address the escalating levels of care required for its residents.
- Investments to achieve Council's affordable housing targets.
- Aging social housing portfolio requiring significant capital investments.
- Continued need to address wait lists in several social service program areas including Child Care Fee Subsidy, individual, couple or family counselling services, behavior management and affordable housing.
- Outstanding assessment appeals at the Assessment Review Board (ARB) involve a total of \$20.0 billion in Region of Durham unweighted assessment. Of these assessment appeals, it is estimated, under a medium risk scenario, that the Region has the potential to lose \$24.9 million in Regional taxes.

## **9. Risks and Uncertainties**

- 9.1 There are numerous risks, pressures and uncertainties that the Region faces in implementing strategic direction and in the successful delivery of its programs and services. Section 7 outlines the program specific risks and uncertainties for each of the major service areas.
- 9.2 The most significant risk facing the Region is a further reduction in provincial investment. The proposed 2020 Business Plans and Budgets have been prepared based on the information currently available from the province. In the absence of funding confirmations for 2020, the Region has assumed that provincial funding will remain at the 2019 level. Further reductions in provincial funding will have a significant impact on the Region's ability to continue to deliver the same level of programs and services into the future. The Region, though its long-term financial planning is positioned to be able to temporarily respond to any in-year reductions in provincial investment, allowing program areas the time needed to adjust programs and services to the new provincial investment levels. Staff will continue to closely monitor all provincial announcements and will report back to Regional Council as needed.
- 9.3 Regional staff are continuing to work with Durham Live and the City of Pickering on the impact this significant development will have on the Region's core programs and services. Staff will report back to Regional Council in-year on any 2020 services level impacts and associating financing.

- 9.4 The Region of Durham has submitted funding applications under the Investing in Canada Infrastructure Program – Public Transit Stream (ICIP). Through ICIP, the Region is anticipated to qualify for \$174 million in senior level funding with the Region's share estimated at \$103 million. Aligned with the funding applications, the Region is projecting Regional funding of \$20.2 million (total cost of \$60.1 million) in 2020 for 14 Investing in Canada Infrastructure (ICIP) projects. Projects include dedicated bus lane installations, fleet acquisition, safety and accessibility improvements, and modernization initiatives as detailed in Report #2019-DRT-20. Upon project approval by the federal and provincial governments, staff will report to Council for approval of the final financing strategy and execution of the contribution agreement(s).

## **10. Public Engagement on the 2020 Business Plans and Budget**

- 10.1 Building on feedback from prior years public engagement on the 2020 Regional Business Plans and Budgets was expanded to include the addition of a second event in North Durham and a new drop-in portion for the public to complement the formal presentation and question and answer portion of the Open House.
- 10.2 Public engagement activities for the 2020 Regional Business Plans and Budgets included:
- hosting two budget open houses, one at Regional Headquarters in Whitby on November 12, 2019 and one at the Scugog Community Recreation Centre in the Township of Scugog on November 13, 2019;
  - inviting members of the public to a drop-in session to interact with Regional employees on the programs and services provided in the community and provide input on priorities for the 2020 Business Plans and Budgets; and
  - providing increased opportunities for residents to participate in-person or online through live-streamed presentations, surveys, question and answer sessions and an enhanced budget website.
- 10.3 Both Budget Open Houses were live streamed on Facebook and on the Region's website. An archived copy of both events is available on the Region's website. The events included a presentation on 2019 accomplishments, financial overview, and the 2020 budget guideline and priorities. Following the presentation, there was a question and answer period.
- 10.4 The objective of the Open Houses was to provide community members an opportunity to:
- Learn about the Region's property tax supported business plans and budgets, including the process for reviewing the 2020 budget;
  - Gain an increased understanding of Regional programs and services; and
  - Provide input on priorities for the 2020 and future budgets.
- 10.5 The events were well received with the live-stream on Facebook reaching over 1,000 people and receiving over 35 likes, comments and shares.



- 10.6 The Budget Open House and other engagement opportunities support the Region's initiative to promote greater public awareness of Regional services and participation by its residents in the business planning process. These types of events increase both the accountability and transparency of the Region's planning and budgeting processes.
- 10.7 Staff will continue to build on the initial steps taken as part of the 2020 Budget process to expand and enhance public engagement and education in advance of the 2021 budget.

## **11. Fees and Charges**

- 11.1 Regional staff conduct annual reviews of fees and charges to ensure appropriate cost recovery, maximization of revenues to the extent possible and at a minimum, that all fees are updated to reflect changing circumstances, including inflationary pressures and legislative compliance. The following highlights the changes made to General Purpose Fees and Charges in the 2020 Business Plans and Budgets.
- 11.2 Development Charges
- Development Charges are indexed annually on July 1<sup>st</sup> based on the by-laws passed by Regional Council.
- 11.3 Services for Seniors
- Adjustment to Cable TV rates based on amended agreement with provider.
- 11.4 Health and Paramedic Services
- Increase in fees for services provided by Health Protection for Ontario Building Code (building permit for sewerage system) and Regional activities based on By-laws 16-2019 and 17-2019 and effective April 1, 2020.
- 11.5 Works
- Increase in site license fees for telecommunication equipment installed on Regional sites, infrastructure and facilities.
  - Increase in Municipal Consent Processing Fee to \$600.
- 11.6 Durham Region Transit
- Fare increases effective May 1, 2020 as approved through Report 2020-F-01.
  - Universal Transit Pass (U-Pass) rate increase to \$141.75 per student per semester for the period September 1, 2020 to August 31, 2021.
- 11.7 Durham Regional Police Services
- Fees for Pay Duties and Officer Interviews have been amended to reflect the current Collective Bargaining Agreement wage rates and current costs.
  - The fee for Scale Diagram has been removed as it is no longer applicable.

## 12. Regional Requirement Regarding Excluded Expenses Related to Tangible Capital Assets as Required by Ontario Regulation 284/09

- 12.1 In June 2006, the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) approved revisions to Section PS 3150 of the Public Sector Accounting Handbook for the accounting of tangible capital assets (TCA) for local governments. The purpose of these revisions were to establish standards for the accounting treatment of tangible capital assets acquired by local governments.
- 12.2 The Regulation requires municipalities to prepare a report for adoption by Council if a municipality excludes provisions in its annual budget for all or a portion of the following expenses:
- TCA Amortization Expenses
  - Post-Employment Benefits Expenses; and,
  - Solid Waste Landfill Closure and Post Closure Expenses.
- 12.3 Since the Region's 2020 Business Plans and Budgets exclude provisions for all or a portion of the expenses relating to amortization of Tangible Capital Assets, post-employment benefits and solid waste landfill closure and post closure, this report is provided as required by the Regulation.

### ESTIMATED IMPACT OF EXCLUDED EXPENSES ON ACCUMULATED SURPLUS FOR THE 2020 BUSINESS PLANS AND BUDGETS ('000'S)

	<u>2019</u>		<u>2020</u>		
	<u>Total</u>	<u>Property Tax</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
	\$	\$	\$	\$	\$
<b><u>PSAS Additions to Budget</u></b>					
Tangible Capital Asset Amortization	142,386	89,152	24,673	30,659	144,484
Post-Employment Benefit Expense	11,274	12,278	623	716	13,617
Landfill Closure Costs - (Decrease)/Increase in Liability	(612)	4,701	-	-	4,701
Transfers from Reserves and Reserve Funds	72,753	110,254	6,221	11,383	127,858
Proceeds of Debit issued for Regional Purposes	-	-	-	-	-
Total PSAB Additions	<u>225,801</u>	<u>216,385</u>	<u>31,517</u>	<u>42,758</u>	<u>290,660</u>
<b><u>PSAS Reductions to Budget</u></b>					
Gross Tangible Capital Assets Acquisitions	(364,719)	(327,029)	(82,032)	(77,293)	(486,354)
Less: Tangible Capital Asset Recoveries	24,971	52,417	962	18,343	71,722
Net Tangible Capital Asset Acquisitions	<u>(339,748)</u>	<u>(274,612)</u>	<u>(81,070)</u>	<u>(58,950)</u>	<u>(414,632)</u>
Debt Principal Payments	(22,076)	(11,003)	-	(5,971)	(16,974)
Transfers to Reserves and Reserve Funds	(103,252)	(99,849)	(8,956)	(26,022)	(134,827)
Contributed Tangible Capital Assets	<u>(16,269)</u>	<u>(1,259)</u>	<u>(6,843)</u>	<u>(7,231)</u>	<u>(15,333)</u>
Total PSAB Reductions	<u>(481,345)</u>	<u>(386,723)</u>	<u>(96,869)</u>	<u>(98,174)</u>	<u>(581,766)</u>
<b>Net Impact - (Increase) to Accumulated Surplus</b>	<u>(255,544)</u>	<u>(170,338)</u>	<u>(65,352)</u>	<u>(55,416)</u>	<u>(291,106)</u>

**13. Conclusion**

- 13.1 The 2020 Business Plans and Budgets recommendations for property tax supported programs are lower than the overall 2.5 per cent guideline adopted by Regional Council through Finance Reports # 2019-F-38 and 2019-F-44 and represents a net property tax budgetary increase of 2.2 per cent or approximately \$59 for the Region-wide average residential home after assessment growth.
- 13.2 The recommended 2020 Business Plans and Budgets provides for an affordable tax increase for business and residential property owners, gives consideration to continued reassessment increases being phased-in, includes a number of base pressures and non-discretionary items that are required to continue to deliver the Region's existing programs and services, responds to reductions in provincial funding to ensure service levels are maintained, and meets service and program needs for a growing Region. In addition, the 2020 Business Plans and Budgets includes continued investment in the Region's strategic priorities including enhancements to front line programs and services and support for the following key priority areas:
- Respond to growth and affordability pressures and support the vulnerable sector
  - Innovate and modernize operations and administration
  - Accommodate ongoing legislative and regulatory changes
  - Invest in infrastructure renewal

**14. Attachments**

- 14.1 Attachment #1: The Regional Municipality of Durham Summary of Estimated Gross and Net Budget Expenditures
- 14.2 Detailed 2020 Regional Business Plans and Budgets for Property Tax Purposes are available on-line through the links provided on the February 11 and 12, 2020 Finance and Administration Committee Agenda or in hard copy by contacting the Finance Department at (905) 668-7711 ext. 2304.

Respectfully submitted,

Original Signed By  
Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By  
Elaine C. Baxter-Trahair  
Chief Administrative Officer

# The Regional Municipality of Durham

## Summary Estimated Gross and Net Budget Expenditures

(\$,000's)



	2019 Approved Budget		2020 Proposed Budget		Annual Change			
	Gross Expenditures (\$,000s)	Net Tax or User Rate (\$,000s)	Gross Expenditures (\$,000s)	Net Tax or User Rate (\$,000s)	Gross Expenditures (\$,000s)	%	Net Tax or User Rate (\$,000s)	%
<b>PROPERTY TAX SUPPORTED</b>								
Police Service	224,147	206,613	239,919	213,225	15,772	7.04%	6,612	3.20%
Durham Region Transit	101,061	58,150	109,266	60,702	8,205	8.12%	2,552	4.39%
Roads and Bridges	186,585	85,869	182,830	90,257	(3,755)	(2.01%)	4,388	5.11%
Solid Waste Management	82,221	48,477	248,403	47,736	166,182	202.12%	(741)	(1.53%)
Public Works	268,806	134,346	431,233	137,993	162,427	60.43%	3,647	2.71%
Public Health	55,044	19,707	60,887	19,546	5,843	10.62%	(161)	(0.82%)
Paramedic Services	54,484	26,884	55,005	30,068	521	0.96%	3,184	11.84%
Long-Term Care	111,839	45,315	115,731	47,678	3,892	3.48%	2,363	5.21%
Social Housing	63,241	41,060	68,675	46,477	5,434	8.59%	5,417	13.19%
Social Assistance	122,732	18,974	121,954	18,718	(778)	(0.63%)	(256)	(1.35%)
Children's Services	81,212	9,048	82,101	10,913	889	1.09%	1,865	20.61%
Family Services	6,905	5,319	6,757	5,294	(148)	(2.14%)	(25)	(0.47%)
Health & Social Services	495,457	166,307	511,110	178,694	15,653	3.16%	12,387	7.45%
Governance & Administration	64,753	35,860	76,876	37,025	12,123	18.72%	1,165	3.25%
Planning & Economic Development	10,182	9,095	10,464	9,449	282	2.77%	354	3.89%
Emergency Management & 9-1-1	6,748	4,995	7,819	5,380	1,071	15.87%	385	7.71%
Other Regional Services	81,683	49,950	95,159	51,854	13,476	16.50%	1,904	3.81%
External Agencies	22,372	21,938	22,365	22,365	(7)	(0.03%)	427	1.95%
Other	31,774	31,774	32,014	32,016	240	0.76%	242	0.76%
Outside Agencies and Other	54,146	53,712	54,379	54,381	233	0.43%	669	1.25%
Property Tax Supported Total	1,225,300	669,078	1,441,066	696,849	215,766	17.61%	27,771	4.15%
<b>USER RATE SUPPORTED</b>								
Water Services	182,212	107,932	152,578	111,752	(29,634)	(16.26%)	3,820	3.54%
Sanitary Sewerage	235,097	102,119	205,465	107,712	(29,632)	(12.60%)	5,593	5.48%
User Rate Supported Total	417,309	210,051	358,043	219,464	(59,266)	(14.20%)	9,413	4.48%
All Regional Services Total	1,642,609	879,129	1,799,109	916,313	156,500	9.53%	37,184	4.23%

Totals may not add due to rounding.