



# Durham Budget

2022

## The Regional Municipality of Durham

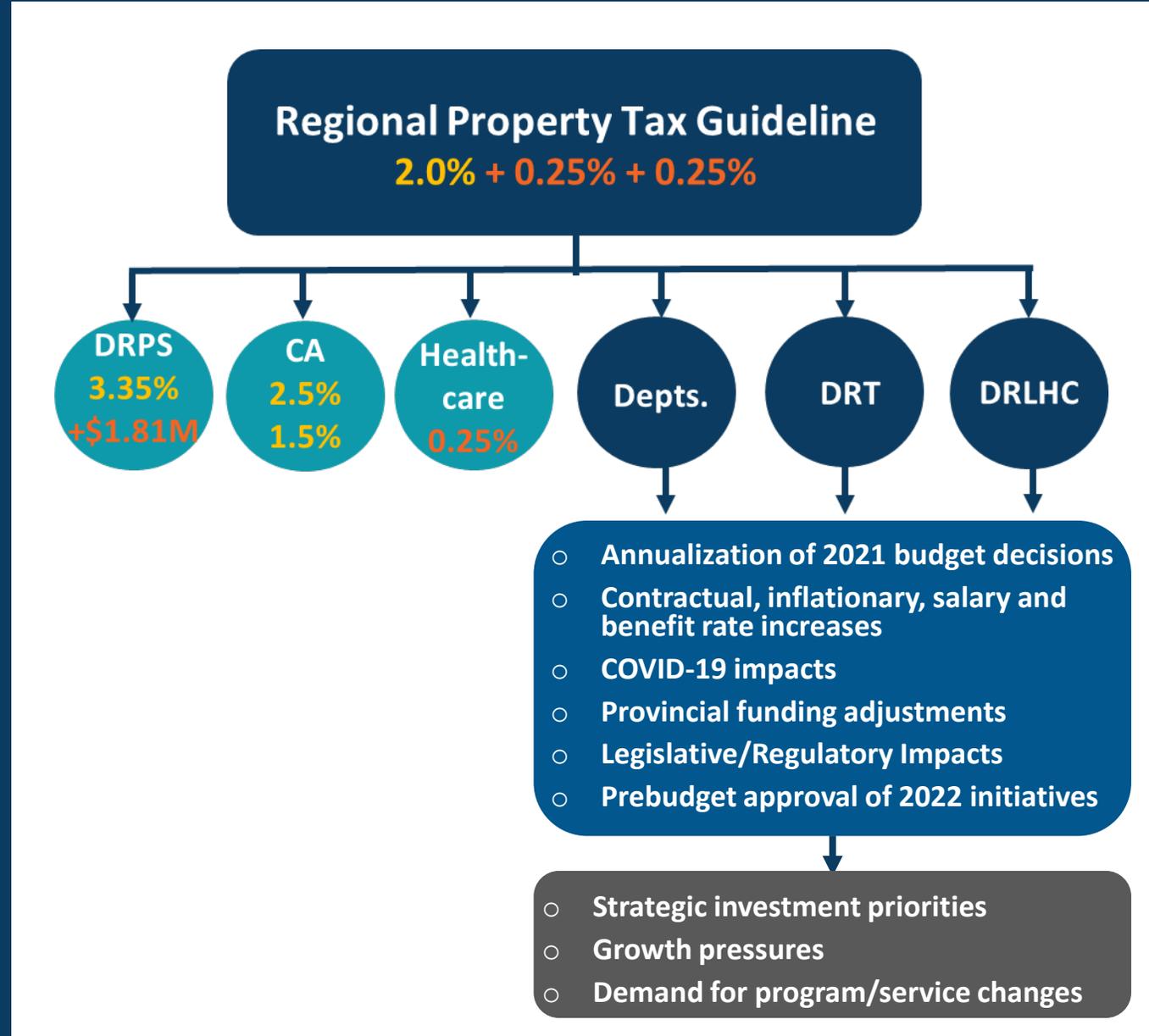
**2022 Regional Business Plans & Property Tax Supported Budget Guideline**

**Finance and Administration Committee – September 14, 2021**

- Purpose and Use of Guideline
- Economic Overview – Development Charges and Assessment Growth
- 2022 Budget Priorities
- 2022 Projected Base Budget Pressures
- 2022 Estimated COVID-19 Impacts
- 2022 Preliminary Provincial Funding Impacts
- Legislative and Regulatory Impacts
- Potential 2022 Strategic Investments
- Community Investment Grant – Healthcare Funding
- Proposed 2022 Property Tax Guideline and Next Steps
- 2022 Business Plans and Budget – Preliminary Key Dates

# Purpose and Use of Guideline

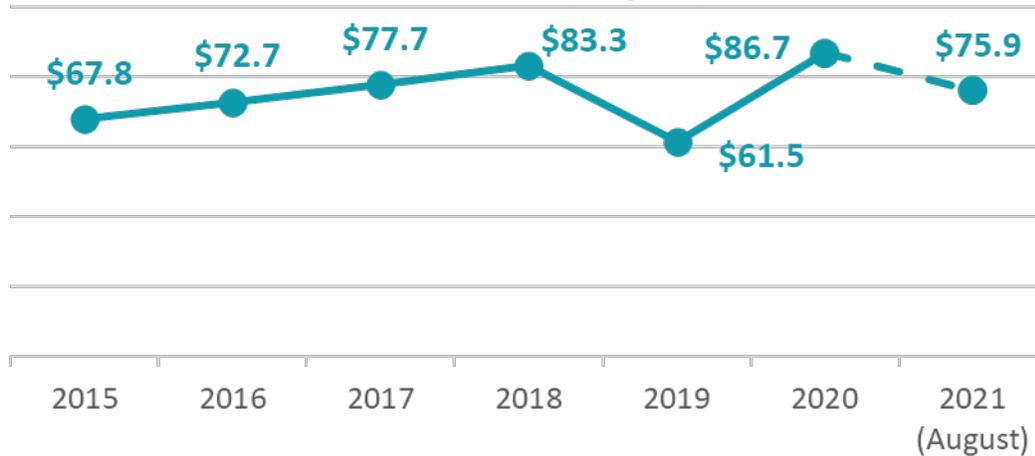
- Provides an overall property tax cap for the 2022 property tax supported business plans and budgets
- Provides direction and assists staff in finalizing budget submissions
- Ensures alignment with Council’s tax levy expectations and service level implications
- Considers the sustainable use of Development Charges, Federal and Provincial Gas Tax Funds, and the Region’s Reserves and Reserve Funds to fund one-time operating and capital investments
- Reflects ongoing increased demands on Regional programs and services and recovery efforts from COVID-19 pandemic



# Development Charges and Assessment Growth

### Residential Development Charge Revenue (\$M)

2015 to 2021 (August)



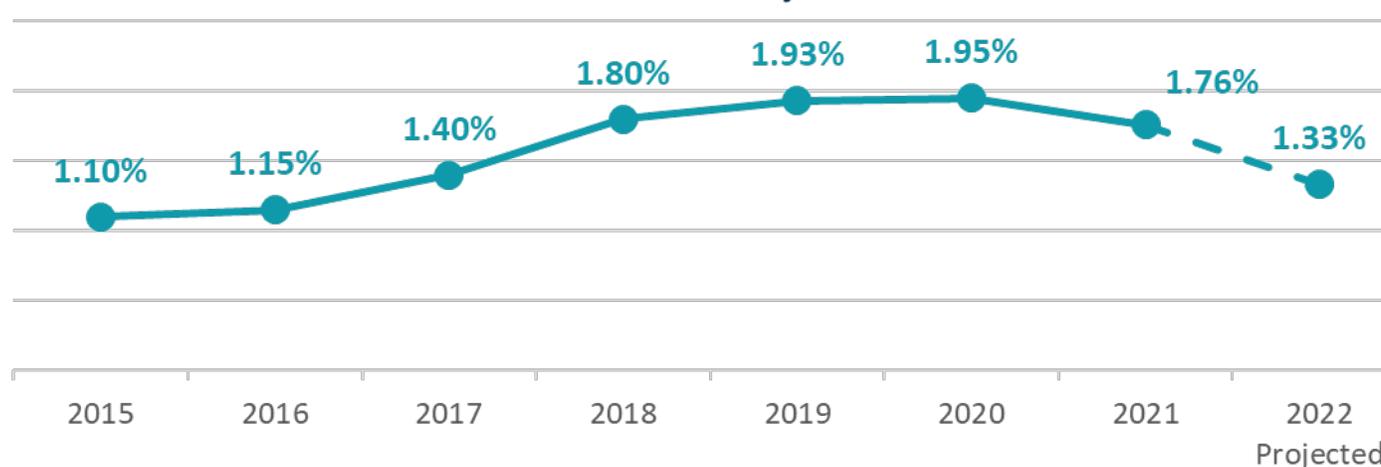
### Development Charge Residential Units

2015 to 2021 (August)



### Annual Budgetary Property Assessment Growth

2015 to 2022 Projected





COVID 19 Recovery – ongoing response and advancing the Regional Recovery Framework and Action Plan and addressing program/service backlog

## Strategic Plan Priorities:



Environmental Sustainability – to protect the environment for the future by demonstrating leadership in sustainability and addressing climate change



Community Vitality – to foster an exceptional quality of life with services that contribute to strong neighbourhoods, vibrant and diverse communities, and influence our safety and well-being



Economic Prosperity – to support the building of a strong and resilient economy that maximizes opportunities for business and employment growth, innovation and partnership



Social Investment – to ensure a range of programs, services and supports are available and accessible to those in need, so that no individual is left behind



Service Excellence – to provide exceptional value to Durham taxpayers through responsive, effective and fiscally sustainable service delivery

The 2022 recommended property tax guideline provides for base and non-discretionary items that are required to deliver the Region's existing programs and services including:



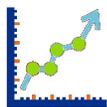
Annualization of 2021 budget decisions ↑



Removal of one-time items ↓



Contractual and inflationary adjustments ↔



Economic increases ↑

**Current projection of 2022 base budget pressures is 2.4%**

**Staff continue to review and look for efficiencies and savings to mitigate this impact**

# 2022 Estimated COVID-19 Impacts

- Uncertainty – Flexibility to respond to changing demands on programs and services
- Ongoing response and advancing the Regional Recovery Framework and Action Plan and addressing program/service backlog



Public Health – additional PPE costs; ongoing temporary resources for case and contact management, continued vaccine rollout, public health inspections, dental screenings; addressing the back-log in many critical program areas; and longer-term impacts on public health (e.g., mental health, substance abuse) as a result of the pandemic



Transit – additional cleaning supplies; staffing costs to meet additional cleaning requirements of the fleet; and reduced transit and program revenues



Long-Term Care – temporary resources to complete required screening; additional infection control products; and cleaning supplies



Children's Services – infection protection programs; PPE; and additional staffing for cohorting, screening and cleaning



Solid Waste Management – continued impacts to waste composition and quantity will impact costs, revenues and processing capacity at the Durham York Energy Centre



Economic Development – recovery-based programs to support local businesses



Information Technology – technology and security investments to facilitate teleworking and protection of Regional data



All Departments – increased cleaning materials; janitorial services; PPE; and security costs

- Uncertainty of 2022 provincial funding provisions



COVID – Province has not indicated, what, if any funding it will provide in 2022 to assist with the ongoing significant financial impact of the COVID-19 pandemic



Childcare – \$1.4 million provincial funding decrease projected



Long Term Care – Province has announced a 1.5% increase in the level-of care base funding effective April 1, 2022. 2022 funding has not been confirmed



Police – Province is reviewing Court Security and Prisoner Transportation Program with current funding agreement expiring on December 31, 2021. Community Safety and Policing grant funding agreement expires on March 31, 2022



Community Safety and Policing Act, 2019 – Anticipate upwards of 80 regulations. Durham Regional Police Service and the Board are reviewing potential fiscal impacts



Ontario Seniors Dental Program – Province increased the income threshold resulting in a significant increase in the demand for services under this program. The province has not announced any additional funding



On-Site and Excess Soil Management Regulation – New framework for the excavation, removal and transport of excess soils between two or more sites and is expect to increase costs for Regional road, water and sewer construction projects



Provincial Offences Act – various regulations impacting Region's existing programs and services including transferring responsibility for the prosecution of Part II offences from the Province to the Region, expanding the duties performed by the Clerk of the Court, and potentially allowing for administrative monetary penalties for automatic speed enforcement and red-light camera offences



Conservation Authorities Act – proposed changes are anticipated to impact the Region's funding of conservation authorities



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



*Finalize and implement the “Durham Building Standards” for construction, renovation and operation of Regional facilities*



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



*Implement the Durham Home Energy Savings Program*

# Environmental Sustainability



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



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



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



*Respond to provincial legislative changes on extended producer responsibility*



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



*Provide paramedic services out of the new Seaton paramedic response station*



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



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

# Community Vitality



*Continue Community Paramedicine Program*



*Continue ongoing system enhancements for Emergency 9-1-1*



*Expand the Durham Vision Zero program to improve road safety,*



*Respond to growth through increased investment in Works operations*



*Implement the Regional Cycling Plan Update*



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



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



*Continue the implementation of the Region's Broadband Strategy*



*Implement DRT Ambassadors program*



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

# Economic Prosperity



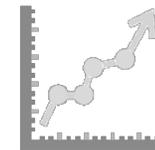
*Continue to advance the development of the Region's Official Plan - Envision Durham*



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



*Delivery of the Region's Community Improvement Plan*



*Increase economic development outreach through marketing and investment promotion*



*Invest in new facilities and equipment to respond to growth pressures*



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



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

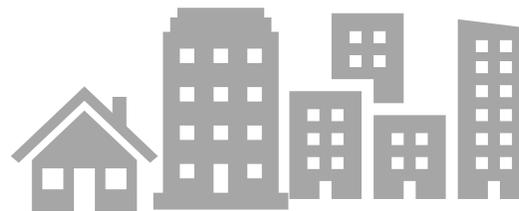


*Increase the Regional  
contribution to the rent  
supplement program*

## Social Investments



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



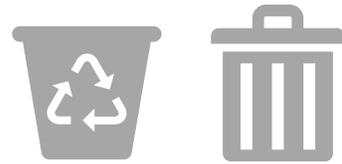
*Additional DRLHC operating funding  
to address systemic budget pressures  
and capital program needs*



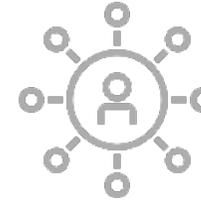
*Modernize Ontario Works paper  
records*



*Implement the multi-year enterprise myDurham311/Service Durham project*



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



*Increase investment in technology infrastructure, applications and security*



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

# Service Excellence



*Provide enhanced health, safety and wellness supports for staff*



*Investment in the ongoing maintenance and renewal of the Region's assets*



*Advance the Workplace Modernization project*



*Drive innovation through continued implementation of the Enterprise Maintenance Management System*

## Funding Requests:

- Lakeridge Health - Bowmanville Hospital Redevelopment – estimated \$37.5 million Regional contribution
  - Lakeridge Health – 10 Year Master Plan
  - Oak Valley Health – Uxbridge Hospital Redevelopment
  - Ontario Shores Centre for Mental Health Sciences
  - Charles H. Best Diabetes Centre
  - Sloan’s House
- 2021 Contribution \$3.27 million – projected to increase to \$4.41 million in 2023
  - Recommending the 2022 property tax guideline include an additional 0.25% (approximately \$1.8 million) dedicated to fund future health care investments under the Region’s Community Investment Grant Policy

## Proposed 2022 Property Tax Guideline

**2.0% + 0.25% + 0.25%**

**\$71** budgetary increase for average residential property  
(2022 CVA \$483,100)



### Police Guideline:

Existing Programs: 3.35%

Body Worn Camera (year 2): \$536,860

Strategic Initiatives: \$1.28 million

Total Police: \$232.48 million 4.16%



### Conservation Authorities:

Operating: 2.5%

Special benefiting 1.5%



### Community Investment Grant Policy:

Future Healthcare Investments: 0.25%

## Next Steps:

- Refine budget estimates and priorities
- Line-by-line review
- Explore alternative funding strategies including sustainable use of reserves and reserve funds, development charges, provincial and federal gas tax and debentures
- Working with provincial and federal government to understand 2022 funding impacts including any potential for continued financial support to mitigate the continued fiscal impacts of the pandemic and recovery
- Continue to monitor weighted assessment growth
- Review and prioritize staffing requests, budget pressures and priorities and look for efficiencies.

## **September 2021:**

2021 Property Tax Supported Business Plans and Budget Guideline

## **October 2021:**

Virtual Town Hall – Wednesday October 20, 2021 (tentative)

## **December 2021:**

Water and Sanitary Sewerage Business Plans and Budgets

Water and Sanitary Sewerage User Rates

## **February 2022:**

Property Tax Supported Business Plans and Budgets

Property Tax Strategy



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# Questions