



Durham Budget

2022

The Regional Municipality of Durham

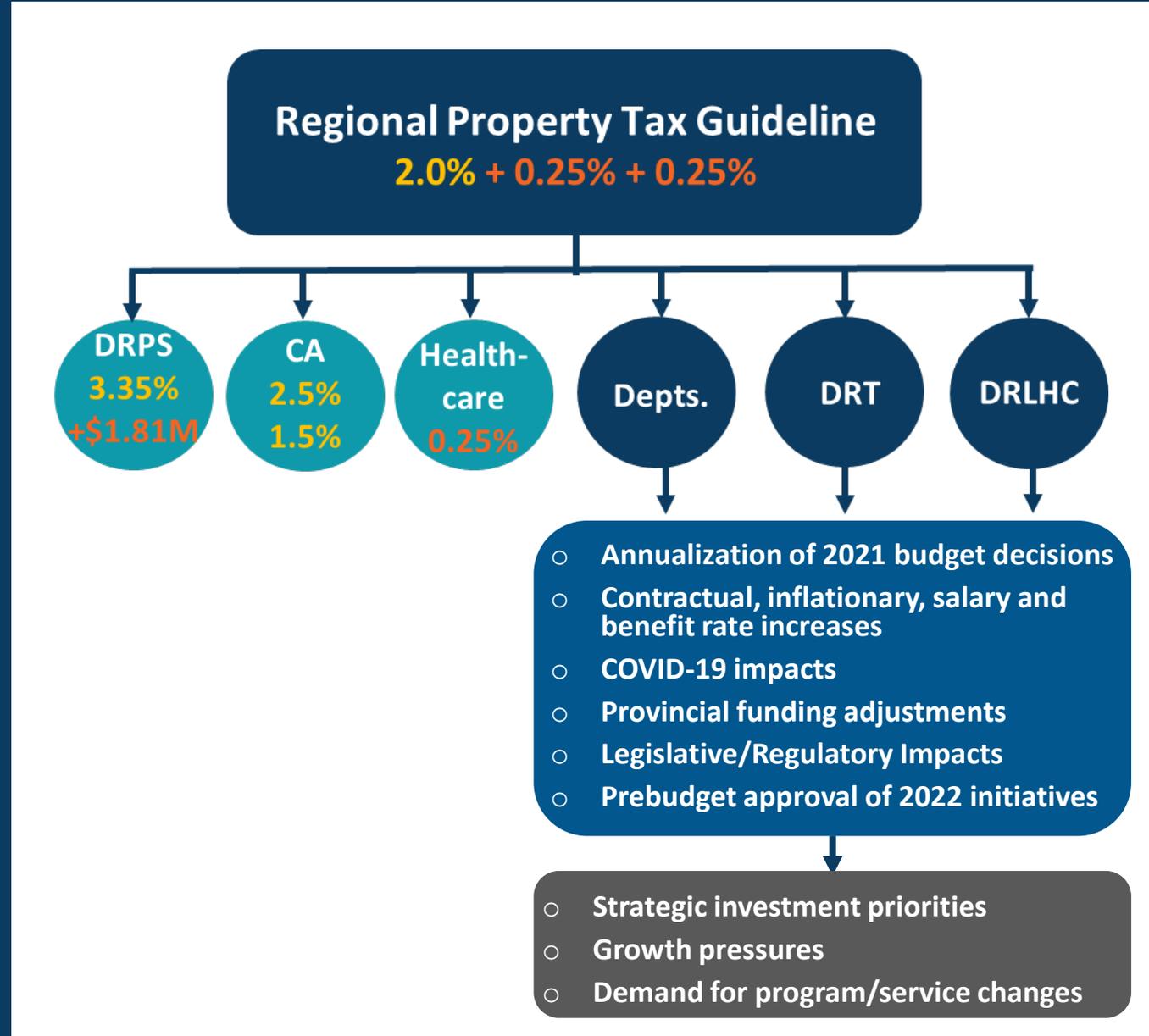
2022 Regional Business Plans & Property Tax Supported Budget Guideline

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

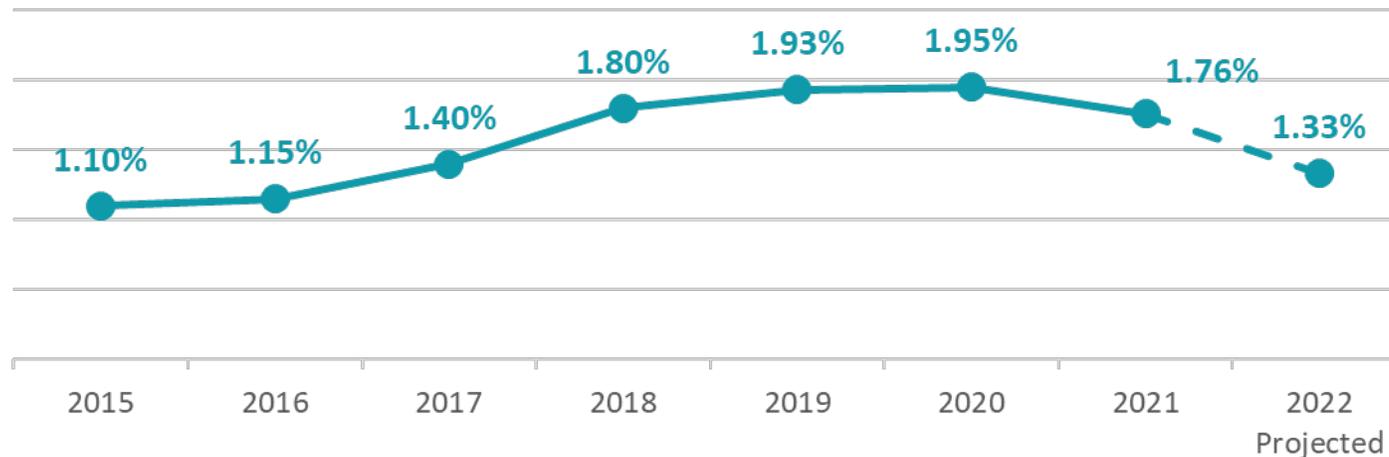
Residential Development Charge Revenue (\$M) 2015 to 2021 (August)



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

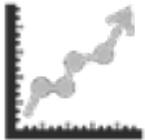
Strategic Plan Priorities:



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:



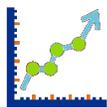
Annualization of 2021 budget decisions 



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



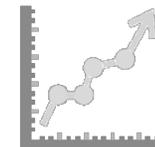
Continue to advance the development of the Region's Official Plan - Envision Durham



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*

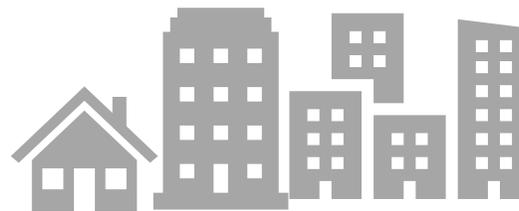


*Increase the Regional
contribution to the rent
supplement program*

Social Investments



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



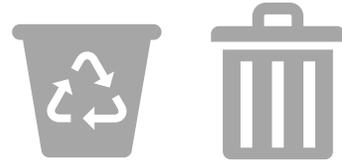
*Additional DRLHC operating funding
to address systemic budget pressures
and capital program needs*



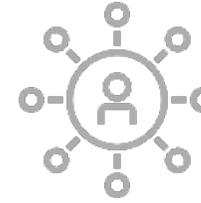
*Modernize Ontario Works paper
records*



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

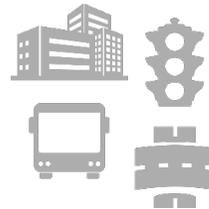


Continue to advance the implementation of the Region's enterprise information management strategy and associated content management system

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