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The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: #2023-F-1
Date: January 17, 2023

Subject:

2023 Regional Business Plans and Property Tax Supported Budget Guideline

Recommendations:

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

- A) The following detailed direction and guidelines for the 2023 Business Plans and Budget for the Durham Regional Police Services Board, Conservation Authorities, Regional Departments and other Outside Agencies be approved:
- i. The 2023 Property Tax Guideline not exceed an overall tax impact of 5.0 per cent compared to the 2022 approved budget including 0.25 per cent dedicated to fund anticipated property tax impacts resulting from Provincial Bill 23, *More Homes Built Faster Act, 2022*, and the guidelines for the Durham Regional Police Services Board (1.65 per cent) and Conservation Authorities as detailed in recommendation A (ii) and A (iii);
 - ii. The 2023 Business Plans and Budget for the Durham Regional Police Services Board not exceed \$245.84 million, an increase of 5.37 per cent compared to the 2022 approved budget for Durham Regional Police Services to fund base pressures (\$10.17 million), the incremental costs for year three of the body worn camera implementation (\$0.37 million) and funding equivalent to 20 front line officers for other strategic priorities of the Durham Regional Police Services Board (\$1.98 million); and
 - iii. The 2023 Operating Budget for each Conservation Authority not exceed an increase of 2.5 per cent, plus or minus any current value assessment adjustments, and the 2023 Special Benefitting Programs Budget for each Conservation Authority not exceed an increase of 1.5 per cent, plus or minus any current value assessment adjustments, compared to the 2022 approved budget;

- B) The preliminary timetable for the 2023 Regional Business Plans and Budget be approved, as outlined in Attachment #1 to this report, which includes the following key date:
- i. March 29, 2023 – final Regional Council approval of all 2023 Property Tax Supported Business Plans and Budget; and,
- C) Copies of this report be forwarded to the Durham Regional Police Services Board, Durham Region Transit Commission, Conservation Authorities, Durham Regional Local Housing Corporation, and other Outside Agencies to guide the development of detailed 2023 Business Plans and Budget.
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Report:

1. Overview

- 1.1 This report provides an overview of the current economic factors impacting the Region's 2023 property tax supported Business Plans and Budget as well as the Regional priorities and initiatives for both 2023 and the four-year forecast period (2024 to 2027). This report also identifies pressures and risks facing the Region that need to be considered in establishing the 2023 Regional Business Plans and Budget guidelines including the ongoing financial impacts to the Region resulting from the COVID-19 pandemic including the vaccine rollout and recovery plan; provincial funding impacts on the 2023 budget; and approved or anticipated legislative and regulatory changes impacting the Region's programs and services.
- 1.2 This report also outlines the proposed timetable and public engagement strategy for the 2023 Business Plans and Budget.

2. Purpose and Use of the Recommended Guideline

- 2.1 The overall 2023 property tax guideline provides a capped tax impact for the 2023 Regional Property Tax Supported Business Plans and Budget. This guideline is an overall impact which is then allocated across all departments, Durham Regional Police Service (DRPS), Durham Region Transit (DRT), 9-1-1 Emergency Service System, Durham OneNet Inc., Conservation Authorities and Durham Regional Local Housing Corporation (DRLHC).
- 2.2 The establishment of specific property tax guidelines at this time provides direction and assists staff with finalizing the 2023 budget submission for presentation to Regional Council in March 2023.
- 2.3 Regional staff will continue to review priorities and pressures with a goal of delivering the annual Property Tax Supported Business Plans and Budget within the guideline. Historically, the actual Business Plans and Budget has been delivered at or below the guideline set by Regional Council.

3. 2023 Property Tax Guideline Overview

- 3.1 Through this report staff are seeking Regional Council approval for an overall 2023 property tax guideline impact not to exceed 5.0 per cent (after net weighted assessment growth). This includes 1.65 per cent dedicated to the Durham Regional Police Services Board to fund base pressures (\$10.17 million), the incremental costs for year three of the body worn camera implementation (\$0.37 million) and other strategic priorities of the Durham Regional Police Services Board (\$1.98 million) and 0.25 per cent dedicated to fund anticipated property tax impacts resulting from provincial Bill 23, *More Homes, Built Faster Act, 2022*.
- 3.2 The following are the specific guidelines for the Durham Regional Police Services Board and Conservation Authorities that are recommended and will need to be accommodated within this overall 2023 property tax guideline.
- The 2023 Business Plans and Budget for Durham Regional Police Services Board not exceed \$245.84 million, an increase of approximately 5.37 per cent compared to the 2022 approved Durham Regional Police Services Board Budget. This includes \$2.35 million to fund the incremental costs for year three, the final year, of the body worn camera implementation (\$0.37 million) and other strategic priorities of the Durham Regional Police Services Board (\$1.98 million); and
 - The 2023 Operating Budget for each Conservation Authority not exceed an increase of 2.5 per cent, plus or minus any current value assessment adjustments, and the 2023 Special Benefiting Programs Budget for each Conservation Authority not exceed an increase of 1.5 per cent, plus or minus any current value assessment adjustments, compared to the 2022 approved budget.
- 3.3 Based on 2022 assessment growth and through discussions with the Municipal Property Assessment Corporation (MPAC), net weighted assessment growth is estimated at approximately 2.1 per cent (excluding net assessment growth in Seaton). This is fairly consistent with the net weighted assessment growth of 1.9 per cent (excluding net assessment growth in Seaton) realized for the 2022 Budget. The current 2022 net weighted assessment growth is only a preliminary estimate and should be used with caution as the actual assessment growth could vary either higher or lower than the estimate.
- 3.4 The overall property tax guideline of 5.0 per cent including 1.65 per cent for the Durham Regional Police Services and 0.25 per cent dedicated to fund anticipated property tax impacts resulting from provincial Bill 23, *More Homes, Built Faster Act, 2022* will result in an annual budgetary increase of approximately \$147 for an average residential property owner in Durham Region with a current estimated 2023 current value assessment of \$483,100.

- 3.5 Setting the recommended guidelines was achieved in consultation with the CAO, Regional departments, Durham Regional Police Service and Durham Region Transit and through detailed review of 2023 to 2027 operating pressures and 2023 to 2032 capital priorities. In addition, this guideline contemplates changes in the local and broader economic, political and social environments and associated risks and uncertainties facing the Region in the delivery of its programs and services.
- 3.6 The development of the recommended guideline incorporates the sustainable use of Development Charges, Canada Community-Building Funds (formally the Federal Gas Tax Fund) and Provincial Gas Tax Funds and the Region's reserves and reserve funds to fund one-time operating and capital investments. This mechanism is employed to offset or mitigate tax levy increases rather than just shifting the increase automatically to the next budget year. As staff continue to develop the 2023 Business Plans and Budget submissions, all additional opportunities to sustainably use the Region's Reserve and Reserve Funds to finance 2023 budget pressures will be pursued in accordance with the Long-Term Financial Planning Framework adopted by Regional Council.
- 3.7 The 2023 Regional Business Plans and Budget, which includes a nine-year capital forecast, will provide additional details on the utilization of alternative revenue sources including reserves and reserve funds for operating and capital expenditures as well as debenture financing, where appropriate, for significant priority capital projects that are planned for 2023 and projected over the nine-year forecast. It is worthy to note that the Region is entering into a period with a series of significant investments in major projects for which the Region has been accumulating funding over the last number of years. In addition, as a result of these significant capital projects, the Region is also entering into a period of significant increases in the usage of debt to partially or fully fund a number of these significant projects resulting in debt repayment impacts over the forecast period.
- 3.8 To achieve the guideline recommended in this report Regional departments, boards, commissions and outside agencies will continue to review their operating and capital business plans and budget for efficiencies, prioritizing and pursuing the necessary adjustments to balance competing priorities, capital requirements and operating pressures.

4. Projected 2023 Base Pressures and Non-Discretionary Items

- 4.1 Preliminary 2023 budget analysis indicates several base pressures and non-discretionary items that are required to continue to deliver the Region's existing programs and services including:
- The annualization of 2022 budget decisions and adjustments for one-time items included in the 2022 budget;
 - Contractual and inflationary increases;
 - Economic increases (salary/benefit contracts); and
 - Items that have received pre-budget approval by Regional Council.

- 4.2 Base pressures for 2023, currently estimated at \$32.6 million are much more significant than in prior years due in large part to significant inflationary pressures experienced in 2022 and projected for 2023. The Statistics Canada Consumer Price Index (CPI) for Canada increased 6.8 per cent year-over year in November 2022 compared to November 2021. Historically CPI has been at or below 2 per cent for the past decade.
- 4.3 Escalating prices directly impact Regional expenditures, including material inputs and services utilized for Regional service delivery. Inflationary increases to gasoline pricing of 13.7 per cent and to energy pricing of 13.9 per cent nationally over this same time period were incurred. The impact of rising fuel costs on the Region's 2023 budget is currently estimated at \$8.1 million. Inflation is projected by the Bank of Canada to average close to eight per cent in the near-term, falling to three per cent by the end of 2023.
- 4.4 With the economy continuing to respond to supply shortages, tight labour markets, rising wages and resulting high inflation this places additional pressure on the Region's 2023 Budget and increases inherent financial risks.
- 4.5 Staff continue to review these base submissions to look for efficiencies and line by line savings to mitigate the impacts of the base pressures and to achieve the recommended 2023 property tax guideline.

5. Strategic Investment in Core Service Areas

- 5.1 As part of the 2023 business planning and budget process, staff will be presenting the Paramedic Services Masterplan Review and Implementation Strategy report and the Durham Region Transit's Long-Term Investment Plan report to Committee and Council in February. These reports will outline a 10-year strategy, beginning in 2023, for increased annual investment in these two critical front line core service areas to address current and forecast growth, modernization and service pressures. As part of the guideline development, staff recognized the policing pressures and provided an increased investment allotment (Section 8). In addition, the pressures to Paramedic Services and the priorities for service delivery for Transit are urgent and cannot be addressed without significant priority funding increases.

Region of Durham Paramedic Services

- 5.2 The Paramedic Services Masterplan Review and Implementation Strategy being presented to Regional Council in February builds on the information contained in the Comprehensive Master Plan for Paramedic Services provided by ORH to develop a forward looking 10-year (2023 – 2032) implementation strategy.
- 5.3 The 10-year implementation strategy will include:
- Service level standards;
 - Projected fleet and resource requirements to address projected growth and service level standards; and
 - Projected facility requirements to achieve service level standards.

- 5.4 In developing the strategy, Regional staff have considered the following factors:
- Population growth and demographic changes;
 - Rising costs to maintain current service;
 - Risks and external factors impacting service delivery and costs including paramedic offload delay, employee wellness and sustained resiliency;
 - Potential provincial changes in the operations of emergency response;
 - Uncertainty of provincial funding for both emergency response and community paramedicine programs; and
 - Financial impacts to the Region's property taxpayers.
- 5.5 Aligned with the overall recommendations of the initial ORH report, the implementation strategy includes investment in additional paramedic resources and construction of several new and replacement Paramedic Stations over the forecast period to respond to increasing response times resulting from continued hospital offload delay and staffing challenges.

Durham Region Transit

- 5.6 Durham Region Transit's Long-Term Investment Plan is being presented to Regional Council in February.
- 5.7 The 10-year implementation strategy will include:
- Revenue service enhancements;
 - New infrastructure and amenities;
 - Fleet electrification; and
 - Fare concessions for vulnerable groups.
- 5.8 In developing the strategy, Regional staff have considered the following factors:
- Senior government funding opportunities and risks;
 - Rising costs to maintain current service;
 - Forecasted debt servicing obligations;
 - Risks related to ridership and fare revenue recovery; and
 - Financial impacts to the Region's property taxpayers.
- 5.9 The strategy includes phased investment in revenue service enhancements, fleet electrification, new facilities and passenger amenities and fare modernization in alignment with the Region's transit modal targets of the Transportation Master Plan to improve transit access, frequency and reliability across the Region, and the goal of eliminating greenhouse gas emissions by 2037 as approved by the Transit Executive Committee and Regional Council in June 2022, and in support of the Region's Climate Change Action Plan goal of zero greenhouse gas emissions by 2045.

5.10 These critical priorities for both Region of Durham Paramedic Services and Durham Region Transit cannot be addressed without significant additional funding in 2023 and over the forecast period.

6. Bill 23 – *More Homes, Built Faster Act, 2022*

6.1 Report [2022-COW-33](#) provided Regional Council with an overview of Bill 23, the *More Homes, Built Faster Act, 2022* and summarized the anticipated impacts of Bill 23 to the Region, the Region of Durham taxpayers and water and sanitary sewer ratepayers.

6.2 Bill 23 will have significant impacts on the Region's ability to coordinate and finance capital infrastructure investments for growth. A partial estimate of the total lost revenue is \$280.6 million over five years. Of this, \$129.6 million will impact the property tax fund with the balance of \$151.0 million impacting the water supply and sanitary sewerage fund. These estimates do not include the impact of exemptions for affordable and yet-to-be defined attainable housing nor do they include lost revenues at the local area municipal level.

6.3 While the Region will advocate for provincial funding to mitigate the negative financial impact of the *More Homes, Built Faster Act, 2022* to property taxpayers and ratepayers in the Region, it is prudent to begin to set funds aside to address the significant financial impacts resulting from Bill 23. There are also significant resource requirements in the early years to implement the level of growth directed by the Province to achieve the home construction targets. It is therefore recommended that a tax levy increase of 0.25 per cent (\$1.9 million) be dedicated to fund anticipated property tax impacts resulting from provincial Bill 23, *More Homes, Built Faster Act, 2022*

7. 2023 Strategic Investment Pressures

7.1 In addition to addressing the non-discretionary pressures and strategic investment requirements in critical core service areas, the guideline provides for very limited strategic investments to support other key priorities identified in the Region's Strategic Plan while balancing the need for taxpayer affordability and competitive property taxes.

7.2 Following sound business planning and budget practices, departments have identified strategic investments that are aligned with and support the following five goals of the Region's Strategic Plan:

- Environmental Sustainability;
- Community Vitality;
- Economic Prosperity;
- Social Investment; and
- Service Excellence.

7.3 Attachment #2 highlights potential 2023 initiatives organized under each of the five goals of the Durham Region Strategic Plan. Many of these initiatives are multi-year initiatives and will have impacts on the 2024 budget and beyond. Given the base budget pressures (identified in Section 4) and the strategic investment in core service areas (identified in Section 5) not all of the identified strategic investments can be accommodated within the recommended 2023 guideline. Significant prioritization and refinement of these strategic initiatives including the use of reserves, reserve funds and debenture financing is required to achieve the guideline recommended in this report.

8. Durham Regional Police Service

8.1 On July 19, 2022, Durham Regional Police Service provided a presentation on their 2023 Draft Budget to the Durham Regional Police Services Board Finance Committee. Further updates were provided to the Durham Regional Police Services Board on September 20, 2022 and October 20, 2022.

8.2 The Durham Regional Police Services Board also provided Regional Council with an overview of their 2023 budget pressures and priorities as part of Council Orientation on November 23, 2022 and their regular update to Regional Council on December 21, 2022.

8.3 As part of the presentation to the Police Services Board staff identified total 2023 budget pressures of \$14.21 million (6.09 per cent). This included base pressures of \$10.17 million and new investments for strategic priorities of \$4.04 million including year three implementation costs of the body worn camera project (\$0.37 million) and other strategic priorities of the Durham Regional Police Services Board (\$3.67 million).

8.4 The following are the base pressures for 2023 that staff identified totaling \$10.17 million, an increase of 4.36 per cent over the 2022 approved Police Services Budget. Regional staff continue to work with Durham Regional Police Service Staff to find creative solutions to reduce these operating pressures without impacting service levels:

- Contractual increases (\$6.2 million – 2.65 per cent increase) – this includes negotiated salary and benefits and new premium pay for front line response positions to be phased in equally over 2023 and 2024.
- Annualization of 40 new full-time positions approved in the 2022 budget (\$2.2 million – 0.95 per cent increase) – this includes 20 front line positions, 3 investigative support positions, 16 patrol and operational support positions and 1 administrative support position.
- Increase in contributions to support operational areas (\$0.74 million – 0.32 per cent increase) – this includes WSIB costs, contribution to the helicopter reserve and contribution to the building maintenance and repair fund.

- Increases in revenues and recoveries (\$1.1 million – 0.46 per cent decrease) – this includes an increase in the Community Safety and Policing Grant and the Court Security and Prisoner Transport Grant, planned increase in recoveries for 9-1-1 Emergency Services and the Nextgen Common Communications Platform and various other revenue adjustments.
- Various other adjustment to operating and capital expenses (\$2.13 million – 0.90 per cent) – this includes inflationary increases related to fuel, utilities, insurance and facility contracts, increases to support information technology infrastructure and related programs, employee development costs and increased fleet vehicle replacements and higher vehicle costs.

8.5 The approved 2021 and 2022 Durham Regional Police Service Business Plans and Budget included year one and year two of the three-year implementation of the body worn camera program. The following tables outline the projected costs and staff for this new program. The amounts included for each year are the total costs for that particular year. As illustrated in the following table the incremental 2023 costs for year three, the final year of implementation, is \$371,541 (0.16 per cent) and includes the addition of two new positions.

	2021	2022	2023
Axon (Hardware and Software)	\$800,000	\$900,000	\$1,000,000
Staffing	1,232,542	1,664,402	1,935,343
Total Cost	\$2,032,542	\$2,564,402	\$2,935,943

The following table outlines the incremental new positions required for the body worn camera program. The cost for these new positions is included in the program costs outlined above.

	2021	2022	2023	Total
SSGT	1	-	-	1
SGT	1	-	-	1
PC	3	-	-	3
Video Management Technician	7	3	2	12
Total New Positions	12	3	2	17

8.6 In addition, Durham Regional Police Service staff identified the following requests for increased investments in various strategic initiatives totaling \$3.67 million (1.57 per cent) which include a total of 39 new positions (excluding the two new positions required for year three of the body worn camera program implementation referenced above):

- 20 new front line officers to address growth in the Region, changes in front line workload and changes in call response models and processes - \$1.98 million (0.85 per cent).
 - 5 additional investigative officers to support the increased demand on the Forensic Investigative Unit - \$0.47 million (0.20 per cent).
 - 2 investigative officers to support the continued work of the Internet Child Exploitation (ICE) Unit - \$0.18 million (0.08 per cent).
 - 2 additional surveillance officers to meet the demands of the Intelligence Unit - \$0.22 million (0.10 per cent).
 - Creation of an Older Adult Investigative and Support (OAIS) Unit including 2 additional officers to ensure older adults who are the victims of abuse are appropriately and adequately supported by DRPS and community partners - \$0.19 million (0.08 per cent).
 - 2 additional support staff members in the People, Development & Learning Unit to fulfill Command's focus on improving services and programs offered to staff - \$0.14 million (0.06 per cent).
 - 2 additional support staff members in the Information Technology Unit to support information systems and security - \$0.17 million (0.07 per cent).
 - 1 additional support staff member to support the increased demand on the Fleet Unit - \$0.07 million (0.03 per cent).
 - 2 additional support staff members in the Facilities Unit to provide services to all police facilities including the new Clarington facility - \$0.20 million (0.08 per cent).
 - 1 additional support staff member in the Legal Unit to provide administrative support to counsel - \$0.05 million (0.02 per cent).
- 8.7 Based on preliminary budget information available, staff are recommending a 2023 guideline for the Durham Regional Police Services Board not to exceed \$245.84 million, an increase of 5.37 per cent (\$12.52 million) compared to the approved 2022 Durham Regional Police Services Board Budget. This includes increases of \$10.17 million to fund base pressures and an increase of \$2.35 million to fund the incremental costs for year three of the body worn camera implementation (\$0.37 million) and other strategic priorities of the Durham Regional Police Services Board (\$1.98 million). This totals an approximate 5.37 per cent increase on the Durham Regional Police Service Budget or a 1.65 per cent overall increase to the Regional property tax levy. This guideline would allow for the equivalent funding of 20 new front line officers but would allow the DRPS Board to determine their priorities on how the funds are allocated. As noted above, within the overall Regional guideline, there has to be some balance to achieve priorities within the DRPS but also recognize incremental service delivery and priority needs of the Paramedic Service and Transit.
- 8.8 Durham Region staff will continue to work with the staff of the Durham Regional Police Service to finalize their 2023 Business Plans and Budget submission.

9. Projected COVID-19 Fiscal Impacts on the 2023 Budget

- 9.1 It is anticipated that the Region will continue to experience financial impacts in 2023 in continuing to respond to and recover from the COVID-19 pandemic.
- 9.2 The federal and provincial governments provided significant funding to the Region under a number of COVID-19 specific funding streams in late 2020, 2021 and 2022 to assist with mitigating the significant financial impact of the COVID-19 pandemic.
- 9.3 Due to program requirements, Durham has unused funding received under the Municipal Operating Stream of the Safe Restart Fund (SRF). In accordance with the provincial guidelines, this unused funding has been maintained in a reserve to be accessed to support any future COVID-19 operating costs and pressures. The effect of the COVID-19 pandemic on vulnerable people has created longer lasting financial pressures on the Region's programs providing supports to residents experiencing or at risk of homelessness. Use of a portion of the remaining SRF balance to address the cost pressure in this strategic area is proposed for 2023 and over the forecast period.
- 9.4 The majority of the COVID-19 federal and provincial funding streams ended in 2022 and the Region continues to advocate to the federal and provincial governments for continued COVID-19 funding in 2023 to assist with mitigating the continuing financial pressures the Region faces most significantly in Public Health, Transit and Long-Term Care in responding to the COVID-19 pandemic and recovery efforts.
- 9.5 While the projected 2023 fiscal impacts of the COVID-19 pandemic continue to evolve, the balance of this section provides a summary of the projected 2023 financial impacts based on current available information. Similar to the 2022 budget, the 2023 budget will need to provide for flexibility to respond to the changing environment. It is important to note that these financial impacts will continue to be refined in advance of submitting the 2023 Business Plans and Budget:
- Transit – additional cleaning supplies and staffing costs to meet additional cleaning requirements of the fleet and reduced transit and program revenues as ridership recovers. On December 7, 2022 the provincial government announced additional funding under Phase 4 of the Transit Safe Restart Agreement to help municipal transit systems address costs related to the COVID-19 pandemic between February 1, 2022 and December 31, 2022. The Region has not received confirmation on any provincial/federal funding for 2023 COVID impacts for Transit.
 - Public Health – additional costs for the continued vaccine rollout, and addressing the back-log in many critical program areas and the longer term impacts on public health (e.g. mental health, substance abuse) as a result of the pandemic. The province has continued to provide funding to the Region for the incremental cost impacts to the Health Department of the COVID pandemic and vaccine rollout. The Region is awaiting confirmation from the province that this funding will continue to be provided to the Health Department in 2023 to assist with the ongoing significant financial

impact of the COVID-19 pandemic.

- Long-Term Care – temporary resources to complete screening; additional infection control products; and cleaning supplies. On December 22, 2022 the Region received confirmation from the province of funding for Long-Term Care under the COVID-19 Prevention and Containment and PPE Funding program until March 31, 2023.

10. Provincial/Federal Funding Impacts

10.1 In 2022, the Region budgeted to receive approximately 21.2 per cent of its annual property tax supported service revenue from provincial subsidies and grants.

10.2 While the province has provided 2022 funding letters for a number of Regional program areas, there is still significant uncertainty and associated risk related to provincial funding levels for 2023. The following is a summary of the known and estimated impacts to the 2023 budget resulting from adjustments in provincial funding and changes in the provincial funding formulas:

- Paramedic Services – The 2022 Regional Business Plans and Budget assumed 2022 provincial funding of paramedic services would be 2.0 per cent higher than the provincial funding provided in 2021. On September 9, 2022, the provincial government confirmed the Region's 2022 funding for paramedic services was \$29,275,767, which is \$2,097,461 (7.7 per cent) more than the 2021 provincial funding of \$27,178,306. This increase provides for the provincial portion of the inflationary pressures and service enhancements. While the 2023 funding has not yet been confirmed it is projected to be at least in-line with the 2022 actual funding which is \$1,548,328 more than what was included in the Region's 2022 Business Plan and Budget. Paramedic Services has received confirmation of provincial funding for the Community Paramedicine Programs in 2023.
- Public Health – The province previously announced changes to the cost sharing arrangement with municipalities. For 2020, the provincial funding of mandatory programs declined from 75 per cent to 70 per cent while the funding of 100 per cent provincial funded programs dropped to 70 per cent provincial funding (with the exception of the Ontario Seniors Dental Care Program, which the province has indicated they will fund at 100 per cent). Based on the Region's current base funding level the impact of the change in the provincial funding formula was \$45,600. For 2020, 2021 and 2022, the province confirmed one-time mitigation funding to ensure that municipalities were not negatively impacted by the changes to the provincial cost-sharing formula considering the significant funding and resource pressure facing public health departments from the COVID-19 pandemic. The province has not confirmed whether this funding will be available beyond March 31, 2023. In 2022 the province also confirmed a base funding increase of \$227,025 for the period of April 1, 2022 to December 31, 2022.

- Childcare – In December 2022, the province provided information on the Region's 2023 funding allocation which includes the introduction of a 5 per cent holdback on 2023 allocations to be released upon review of the 2023 Financial Statements, continuation of the one-time transition grant in lieu of reversing the administration grant reductions, a new mental health funding stream in EarlyOn and increases in funding under the Canada-Wide Early Learning and Child Care program. Staff continue to review the specifics of the announcement to understand the potential impacts on the Region's Children's Services programs and services.
- Social Assistance – The province has announced further modernization efforts significantly impacting the Region's Social Assistance program in 2023 and beyond that were reported to Council through confidential report 2022-COW-29. It is not clear what additional impacts these changes will have on provincial funding, cost sharing formulas and service delivery for 2023 and beyond.
- Homelessness Supports – In 2022 the Region received \$3.1 million in federal funding under the Reaching Home Program and \$9.1 million in provincial funding under the Homelessness Prevention Program to support residents experiencing or at risk of homelessness. This is \$1.0 million higher than what was included in the 2022 budget. The Region is projected in 2023 to receive \$5.0 million in federal funding under the Reaching Home program and \$10.1 million in provincial funding under the Homelessness Prevention Program.
- Long-Term Care – On August 27, 2021, the Ministry of Long-Term Care announced a multi-year plan to increase level of care base funding starting April 1, 2021. Staff are awaiting final confirmation on the increase in funding to the Region for 2023.
- Police – On August 10, 2020, the province announced a review of their Court Security and Prisoner Transportation Program. The Region's current funding agreement provided \$4.48 million in funding in 2022 and expires on December 31, 2022. It is unclear at this time what impact this review may have on 2023 and future funding. Durham Regional Police Service budgeted to receive \$3.17 million in funding in 2022 under the Community Safety and Policing grant program. Actual funding received was \$3.30 million. The province has confirmed that this funding will increase to \$3.48 million in 2023.
- Ukrainian Humanitarian Response in Durham – Regional staff, in collaboration with GTHA regions, agreed to a collective and coordinated response to provide supports to Ukrainian newcomers. Staff have worked with partners to secure temporary accommodations for newcomers and explore other potential housing benefits as well as working with the Community Development Council of Durham (CDCD) to deliver supports. To date the Region has allocated approximately \$2.0 million to support newcomers. The Region continues to advocate for funding from the provincial and federal governments for the Region's costs in supporting newcomers.

- 10.3 Regional staff continue to advocate for sustained provincial funding and will work with the province to understand any further financial impacts on the 2023 Business Plans and Budget and beyond.

11. Impacts of Legislative and Regulatory Changes

- 11.1 The Region delivers several programs and services that are legislated or regulated by the provincial government and, to a lesser extent, the federal government. Legislative and regulatory changes often have a direct financial impact to the Region in delivering these valued and critical programs and services. The following is a list of current or potential legislative and regulatory changes that may have fiscal impacts for the Region.

- On June 14, 2021, the Ministry of the Solicitor General released five draft Regulations under the *Community Safety and Policing Act, 2019* for comment. It is expected that there will be upwards of 80 Regulations in support of this legislation. The initial five draft Regulations cover investigations, active attacker incidents, alternative provision of policing functions, the Ontario Police Arbitration and Adjudication Commission and codes of conduct for police officers, municipal police service board members and members of the Ontario Provincial Police Governance Advisory Council. The Durham Regional Police Service and the Durham Regional Police Services Board have provided comments on these draft regulations and are reviewing potential fiscal impacts to Durham Regional Police Service.
- As detailed in Report [2022-A-21](#), the province transferred responsibility for prosecution of Part III and Part IX charges to the Region. As a result of this transfer 3 additional permanent full-time prosecutors and 2 additional permanent full-time prosecution assistants are required to manage this increased workload. Additional prosecution resources may be required in future years as the Region adjusts to the volume and pace of these matters. The Region currently receives all revenues from any fines associated with Part II matters and as such there is no additional revenue associated with this transfer. The estimated net impact on the 2023 Business Plans and Budget for this transfer of responsibility from the Province to the Region is \$0.5 million.
- The Region is currently awaiting provincial regulations under the *Housing Services Act* that will provide greater clarity around Part VII housing providers and the costs and funding available to support these providers.
- In October 2021 and April 2022 the province released Phase 1 and Phase 2 regulations and policy under the *Conservation Authorities Act*. These new regulations outline:
 - mandatory programs and services to be delivered by conservation authorities,
 - the need for agreements between participating municipalities and conservation authorities to fund non-mandatory programs and services through a municipal levy,

- the requirement of conservation authorities to establish a community advisory board,
- the budget process for conservation authorities,
- the municipal apportionment methods for levying participating municipalities,
- various user fee requirements, and
- information requirements for conservation authorities.

These provincial regulations are anticipated to impact the Region's funding of conservation authorities for the 2024 Business Plans and Budget. Staff continue to work with the province and our five partner conservation authorities to understand the full impacts resulting from these regulations. The additional complexity of Bill 23 impacts to conservation authorities must also be determined.

12. Funding Requests under the Durham Region Community Investment Grant Policy

- 12.1 In October 2019, Regional Council approved the Durham Region Community Investment Grant Policy. Under this policy, local healthcare and post secondary education institutions can apply for funding to assist with the community fundraising requirements for capital infrastructure projects in the Region.
- 12.2 There are a number of organizations that have approached the Region of Durham for funding under this program including:
- Lakeridge Health - Bowmanville Hospital redevelopment project
 - Lakeridge Health - for various capital infrastructure projects in their 10 Year Master Plan including a new greenfield hospital in Whitby and the redevelopment of the Ajax Pickering Hospital
 - Oak Valley Health - Uxbridge Hospital
 - Ontario Shores Centre for Mental Health Sciences
 - Charles Best Diabetes Centre
 - Sloane's House
- 12.3 To support the funding requests received under the Community Investment Grant Policy, the Region's annual business plans and budget includes an annual contribution to this program. As part of the approved 2022 Business Plans and Budget, Region Council approved an additional 0.25 per cent dedicated levy to support the prior approval of the Lakeridge Health – Bowmanville site redevelopment. This brought the total 2022 contribution to this program to \$5.55 million.

- 12.4 In 2022, the Region made its final payment of \$666,666 to Durham College for the expansion of the Whitby Campus project. With the completion of this financial commitment in 2022 the 2023 base funding for the Community Investment Grant Program will be increased by this \$0.67 million. Given the significant pressures facing the Region's core front line services in 2023, it is recommended that the funding to the Durham Region Community Investment Grant Program be set at \$6.20 million, an increase of \$0.67 million (12 per cent) from the 2022 approved budget but with no increase on the tax levy.
- 12.5 Staff continues to work with the above organizations to understand their needs, determine eligibility and potential timing should Regional funding be approved by Council for their capital builds.

13. Summary of 2023 Property Tax Guideline

- 13.1 The following table provides a summary of the estimated impact of the various pressures comprising the 2023 Property Tax Guideline as outlined through Sections 4 through 12 of this report. These amounts are subject to change as staff finalize the Paramedic Services Masterplan Review and Implementation Strategy, Durham Region Transit's Long-Term Investment Plan and the final budget submissions.

Item	Estimated 2023 Levy Impact	
	\$ (millions)	%
Durham Regional Police Services	12.52	1.65
Conservation Authorities	0.02	0.00
<i>Bill 23 – More Homes, Built Faster Act, 2022</i>	1.90	0.25
Paramedic Services	3.26	0.43
Durham Region Transit	11.25	1.48
Department Increases (Base Pressures)	14.61	1.92
Department Increases (Strategic Priorities)	10.42	1.37
Assessment Growth		(2.10)
Net 2023 Property Tax Levy Impact	53.98	5.00

14. 2024 – 2027 Forecast Highlights

- 14.1 Many of the 2023 strategic investment pressures identified in Attachment #2 of this report are multi-year initiatives and will continue throughout the 2024 to 2027 forecast period. Attachment #3 highlights the additional significant strategic investment pressures currently projected over the forecast period.
- 14.2 Based on current modeling, the Region anticipates annual property tax increases for 2024 to 2027 to be consistent with the 2023 property tax guideline. This is driven in part by ongoing funding increases for Paramedic Services and Durham Region Transit to meet service level needs, operating costs for the new Seaton Long-Term Care Home and increased debt repayment obligations for new facilities. Staff continue to explore alternative funding strategies including provincial and federal funding, use of reserves, reserves funds and debenture financing as well as identifying efficiencies to reduce future property tax impacts.

15. 2023 Regional Business Plans and Budget Timetable

15.1 The Region's business planning and budget process includes strategic planning, risk assessment, economic and financial forecasting, property tax guidelines, detailed business plans and budgets, and performance measurement. Fiscal accountability is strengthened by the multi-year planning of expenditures, financing and risk mitigation that are imbedded in the Region's Business Planning and Budget process and highlighted each year by the Region's bond raters.

15.2 The key dates for the 2023 Regional Business Plans and Budget timetable are outlined below and are detailed in Attachment #1:

- Transit Long-Term Service and Financing Strategy
 - Transit Executive Committee – February 8, 2023
 - Finance and Administration Committee – February 14, 2023
 - Regional Council – March 1, 2023
- Paramedic Services Comprehensive Masterplan Review and Implementation Strategy
 - Committee of the Whole – February 15, 2023
 - Regional Council – March 1, 2023
- Property Tax Supported Business Plans and Budget
 - Standing Committees – week of March 6, 2023
 - Finance and Administration Committee – March 21, 2023 and March 22, 2023 (if required)
 - Regional Council – March 29, 2023
- Property Tax Strategy
 - Finance and Administration Committee – March 21, 2023 and March 22, 2023 (if required)
 - Regional Council – March 29, 2023

15.3 The 2023 proposed timetable establishes March 29, 2023 as the target date for Regional Council approval of all 2023 Property Tax Supported Business Plans and Budget.

16. Public Engagement Strategy for the 2023 Business Plans and Budget

16.1 Transparency and education are key components of building successful public engagement on the Region's business plans and budgets with residents, businesses and stakeholders.

- 16.2 The Region remains focused on modernizing our public engagement initiatives by evaluating different standards, compiling best practices, measuring outcomes and incorporating expertise from experts.
- 16.3 Where possible, the Region's public engagement initiatives will be designed and structured to ensure that information is shared in plain language and through a variety of formats that are accessible and interactive and are focused on outcomes for residents, businesses, and stakeholders. The public engagement approaches for the 2023 Business Plans and Budget will continue to engage with more residents and businesses in new and different ways to encourage their feedback and will include:
- Refocusing efforts to engage residents in an approach aligned with the cadence of the annual Business Planning and Budget process that enables input to inform budgetary decisions;
 - Updating the Region's Business Plans and Budget online presence, informed by data and lessons learned, to allow residents to ask questions and provide comments online in a convenient and intuitive manner;
 - Hosting a Virtual Town Hall on Thursday November 24, 2022 where more than 14,000 Durham Region residents joined over the phone, online and in-person to provide input and feedback on key priorities, ask questions about the Region's Business Plans and Budget, and learn more about the Region's programs and services;
 - Updating the award-winning Value Stories videos which highlight the details of the Region's Budget and the value these investments have on residents and businesses;
 - Updating the Budget Infographic to provide a visual summary of the service metrics and investments included in the approved budget;
 - Providing ongoing social media engagement aligned with the progression of the business planning and budget process to support a wider understanding of the process and seek engagement throughout the process; and
 - Providing traditional engagement initiatives consistent with prior year activities including the utilization of print media.

17. Next Steps

- 17.1 In the next phase of the business planning and budget process, all program areas will review their operating and capital plans to achieve the recommended property tax guideline including:
- Refining budget estimates and priorities;
 - Exploring alternative funding strategies including the sustainable use of reserve and reserve funds, development charges, provincial and federal gas tax and debentures;
 - Working with the provincial and federal government to understand 2023 funding impacts including any potential for continued financial support to

mitigate the continued fiscal impacts of the pandemic and recovery;

- Reviewing the Region's weighted 2022 net assessment growth; and
- Carefully reviewing and prioritizing 2023 staffing requests, budget pressures and priorities and looking for efficiencies and opportunities to minimize the 2023 budget impact.

18. Conclusion

- 18.1 The recommended overall 2023 property tax guideline for Regional departments, the Durham Regional Police Services Board, Durham Region Transit Commission, DRLHC and funded Outside Agencies will result in:
- A Region-wide property tax rate impact not to exceed 5.0 per cent (after net weighted assessment growth) including 1.65 per cent dedicated to the Durham Regional Police Services Board to fund base pressures (\$10.17 million) the incremental costs for year three of the body worn camera implementation (\$0.37 million) and other strategic priorities of the Durham Regional Police Services Board (\$1.98 million) and a further 0.25 per cent over the 2022 approved budget to fund anticipated property tax impacts resulting from provincial Bill 23, *More Homes, Built Faster Act, 2022*;
 - An annual \$147 budgetary increase for an average residential home in Durham Region with an estimated 2023 current value assessment of \$483,100.
- 18.2 Regional departments, boards, commissions and outside agencies will continue to review their operating and capital business plans and budget looking for efficiencies, prioritizing and making the necessary adjustments to balance competing priorities, capital requirements, and operating pressures to achieve Regional Council's approved property tax guideline. It is important to note that work is still needed to achieve the recommended property tax guideline and, as such, not all requests identified in this report may be able to be accommodated within the 2023 Business Plans and Budget, requiring consideration in future years.
- 18.3 The detailed 2023 Property Tax Supported Business Plans and Budget are scheduled to be presented to the appropriate Standing Committee or Transit Executive Committee during the week of March 6, 2023, Finance and Administration Committee on March 21, 2023 and March 22, 2023 (if required) and Regional Council on March 29, 2023.

19. Attachments

19.1 Attachment #1: Preliminary Timetable for the 2023 Regional Business Plans and Budget

19.2 Attachment #2: 2023 Strategic Investment Pressures

19.3 Attachment #3: 2024 – 2027 Forecast Highlights

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

PRELIMINARY TIMETABLE FOR THE 2023 REGIONAL BUSINESS PLANS AND BUDGETS

A) 2023 PROPERTY TAX GUIDELINE

Item	Description	Standing Committee	Regional Council
1.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Regional Business Plans and Property Tax Supported Budget Guideline 	Finance and Administration Committee – January 17, 2023	February 1, 2023

B) SUPPORTING BUSINESS PLANNING REPORTS

Item	Description	Standing Committee(s)	Regional Council
1.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Water and Sanitary Sewer User Rates 	Finance and Administration Committee – December 13, 2022	December 21, 2022
2.	Review and Approval of the: <ul style="list-style-type: none"> • Transit Long-Term Service and Financing Strategy 	Transit Executive Committee – February 8, 2023 Finance and Administration Committee – February 14, 2023	March 1, 2023
3.	Review and Approval of the: <ul style="list-style-type: none"> • Region of Durham Paramedic Services (RDPS) Comprehensive Masterplan Review and Implementation Strategy 	Committee of the Whole – February 15, 2023	March 1, 2023
4.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Strategic Property Tax Study 	Finance and Administration Committee – March 21 and 22 (if required), 2023	March 29, 2023
5.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Property Tax Rates 		March 29, 2023

PRELIMINARY TIMETABLE FOR THE 2023 REGIONAL BUSINESS PLANS AND BUDGETS

C) 2023 DETAILED BUSINESS PLANS AND BUDGETS

Item	Description	Standing Committee(s)	Regional Council
1.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Detailed Water and Sanitary Sewer Business Plans and Budgets 	Works Committee – December 7, 2022 Finance and Administration Committee – December 13 2022	December 21, 2022
2.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 9-1-1 Emergency Service System Business Plans and Budget 	9-1-1 Management Board January 24, 2023	
3.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Durham OneNet Inc. Business Plans and Budget 	Durham OneNet Inc. Board – February 2023 (TBD)	
4.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Durham Regional Local Housing Corporation (DRLHC) Business Plans and Budget 	DRLHC Board – March 1, 2023	
5.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Planning and Economic Development Business Plans and Budgets 	Planning and Economic Development Committee – March 7, 2023	
6.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Works General Tax and Solid Waste Management Business Plans and Budgets 	Works Committee – March 8, 2023	
7.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Durham Region Transit Business Plans and Budget 	Transit Executive Committee – March 8, 2023	
8.	Review and Approval of the: <ul style="list-style-type: none"> • 2023 Health and Social Services Business Plans and Budgets 	Health and Social Services Committee – March 9, 2023	

PRELIMINARY TIMETABLE FOR THE 2023 REGIONAL BUSINESS PLANS AND BUDGETS

Item	Description	Standing Committee(s)	Regional Council
9.	Review and approval of the: <ul style="list-style-type: none"> • 2023 Departmental Business Plans and Budgets • 2023 Durham Region Transit Business Plans and Budget • 2023 Durham Regional Police Service Business Plans and Budget • 2023 Conservation Authorities Business Plans and Budgets • 2023 9-1-1 Emergency Service System Business Plans and Budget • 2023 Durham OneNet Inc. Business Plans and Budget • 2023 Durham Regional Local Housing Corporation (DRLHC) Business Plans and Budget 	Finance and Administration Committee – March 21 and 22 (if required), 2023	March 29, 2023

Attachment #2 – 2023 Strategic Investment Pressures

This attachment highlights potential 2023 initiatives organized under each of the five goals of the Durham Region Strategic Plan. Many of these initiatives are multi-year initiatives and will have impacts on the 2024 budget and beyond. Given the base budget pressures (identified in Section 4) and the strategic investment in core service areas (identified in Section 5) not all of the identified strategic investments can be accommodated within the recommended 2023 guideline. Significant prioritization and refinement of these strategic initiatives including the use of reserves, reserve funds and debenture financing is required to achieve the guideline recommended in this report.

Environmental Sustainability

Under the Environmental Sustainability goal, the Region is focused on responding to Regional Council's climate emergency declaration by demonstrating corporate leadership and mobilizing community action through collaboration with local area municipalities and other key partners. The following are the potential 2023 initiatives that support this Regional goal.

- With the assistance of federal government funding, continue the implementation of the Durham Greener Homes program to provide residents with wrap-around support services, including access to an energy retrofit coach, financial incentives, and skilled trades to facilitate deep energy retrofits in existing single-family homes across the Region.
- Develop the Regional Facility Low Carbon Pathway and implement the Durham Building Standard for the construction, renovation and operation of Regional facilities, including measures to advance the Region's climate change and energy conservation initiatives.
- Advance the implementation of deep energy retrofits in Durham Region Local Housing Corporation (DRLHC) senior's housing portfolio to reduce energy and carbon emissions while increasing resilience to extreme heat events that disproportionately impact vulnerable residents.
- Support the approved transition of the Durham Region Roundtable on Climate Change from an advisory committee of Council to an independent entity based within Ontario Tech University.
- Consider current and future climate conditions to improve asset resiliency and mitigate corporate and community impacts associated with extreme weather events.
- Develop of the Region's low carbon fleet strategy including analyzing existing patterns of fleet use and age, equipment replacement schedules, and technology advancements to develop alternative vehicle replacement plans that reduce corporate GHG emissions and energy costs, while considering necessary facility upgrades to support charging infrastructure.
- Respond to provincial legislative changes on extended producer responsibility in waste management.

- Advance the Region's work on district energy through feasibility studies and engagement with partners.
- Partner with conservation authorities to advance implementation of the Durham Community Climate Adaptation Plan, including updating floodplain maps and undertaking climate risk and vulnerability assessments.
- Develop a Durham Building Energy and Water Benchmarking and Disclosure initiative to support commercial, industrial, institutional and multi-residential buildings in compliance with provincial reporting requirements.

Community Vitality

Under the Community Vitality goal, the Region is focused on fostering an exceptional quality of life with services that contribute to strong neighbourhoods, vibrant and diverse communities, and influence residents' safety and well-being. The following are the potential 2023 initiatives that support this Regional goal.

- Continue to advance and expand the Region's diversity, equity and inclusion program including ongoing Indigenous engagement, completion of an employment systems review and implementation of the Region's 2022 – 2025 Accessibility Plan.
- Continue to implement the Community Safety and Well-Being Plan (CSWB) by building robust community capacity to ensure residents get the right services at the right time.
- Leverage increased provincial funding to enhance the level of care and supports for residents of the Region's long-term care homes by increasing front line resources in response to the increasing complexity of care of the homes' residents.
- Develop and implement an emotional model of care in the Region's long-term care homes.
- Provide additional long-term care home resources to enhance quality control, risk and compliance programs, development of policy and management of electronic systems.
- Orient public health programs and services to address the needs of priority populations.
- Expand the Region's Seniors Dental Program (contingent on increased federal/provincial funding).
- Leverage provincial funding to enhance the Adult Community Support Services program.
- Continued improvements to road safety through the implementation of various Vision Zero initiatives.
- Implement the Regional Cycling Plan Update including construction of additional cycling infrastructure and completion of the Durham Region Signage and Wayfinding Strategy.

- Continue ongoing system enhancements to Emergency 9-1-1.
- Continue implementation of the Region's Nuclear Sector Strategy.
- Enhance education and training program Nuclear Preparedness and Awareness.

Economic Prosperity

Under the Economic Prosperity Goal, the Region is supporting the building of a strong and resilient economy that maximizes opportunities for business and employment growth, innovation and partnership. The following are the potential 2023 initiatives that support this Regional goal.

- Implement the Region's new economic development strategy Ready Set Future – A PLACE blueprint for Durham which includes expanding the Region's in-house investment attraction program; working alongside the Durham Economic Development Partnership to deliver initiatives and projects that encourage business retention and attraction; creating focused marketing campaigns and initiatives in key economic sectors and implementing the Growing North Durham 2.0 Plan in the Townships of Brock, Scugog and Uxbridge and the Growing Agri-Food Durham Plan.
- Continue to implement the Region's Intelligent Communities Plan – the framework for a smart and connected Region.
- Continue to advancing transit-oriented development opportunities on key transit corridors, including the GO East extension to Bowmanville.
- Leverage Investing in Canada Infrastructure Program (ICIP) funding opportunities for eligible projects including bus rapid transit expansion projects on Highway 2 and Simcoe Street. (Regional financing is required for the Region's share of eligible costs as well as ineligible costs e.g., land).
- Finalize the Region's new Official Plan – Envision Durham.
- Continue to invest in new Regional assets in response to growth pressures across all Regional departments.
- Respond to applications received under the Regional Revitalization Program.
- Continue the implementation of the Region's Broadband Strategy including supporting the deployment of broadband infrastructure to under-served areas through Durham OneNet Inc. (DONi).
- Advance investment attraction efforts for the Region-owned land in the Clarington Energy Park including work underway for Project Woodward.
- Deliver on the Region's Community Improvement Plan with a focus on increasing affordable housing units and promoting transit-oriented development.

Social Investment

Under the Social Investment Goal, the Region is striving to ensure a range of programs, services and supports are available and accessible to those in need, so that no individual is left behind. The following are the potential 2023 initiatives that support this Regional goal.

- Continue to advance At Home in Durham, the Durham Housing Plan 2014 – 2024 and the achievement of Regional Council's goal of initiating the development of 1,000 new affordable housing units during the next five years, with development completed and units ready for occupancy over the following five years, and an end to chronic homelessness in Durham by 2024.
- Provide for the operating impacts of the Beaverton Supportive Housing project.
- Community consultation, design and consulting for Durham Regional Local Housing Corporation renewal and redevelopment.
- Ongoing consultation and planning for the 300 Ritson Road site.
- Increase supports to residents experiencing or at risk of homelessness under the federal Reaching Home Program and the provincial Community Homelessness Prevention Initiative.
- Planning for the addition of new directly operated Regional Child Care Centres.
- Ongoing implementation of the Canada-Wide Early Learning and Child Care System.
- Increase supports provided through the Local Immigration Partnership.

Service Excellence

Under the Service Excellence Goal, the Region is working to provide exceptional value to Durham taxpayers through responsive, effective and fiscally sustainable service delivery. The following are the potential 2023 initiatives that support this Regional goal.

- Implement the multi-year enterprise-wide myDurham311 project that will introduce a new customer experience program at the Region (Service Durham) that is designed to facilitate, streamline and integrate service delivery from a customer perspective.
- Continue to advance various Regional review and improvement initiatives including the enterprise information management strategy and associated enterprise content management system, business planning and budget process review and modernization project, and expanding the rollout of the WorkForce Management system.
- Provide for the ongoing maintenance and renewal of the Region's assets (including buildings, vehicles, machinery and equipment, IT infrastructure and furniture and fixtures) in alignment with the Region's Asset Management Plan and prudent asset management practices to maximize the value of the Region's assets over their life cycle.

- Advance Workplace Modernization at Regional Headquarters and 101 Consumers Drive and commence the redevelopment and modernization of the Region's five Works Depots. Work on these facilities includes optimizing space utilization and creating a variety of flexible workspaces that support how Regional staff work and collaborate, improving accessibility and access for staff and community members and addressing energy efficiency, emission reductions and asset management requirements.
- Strengthen relationships with the federal and provincial governments to advance the Region's government relations objectives.
- Provide enhanced health, safety and wellness (including mental health) supports for staff.
- Continue to advance the Region's Cybersecurity Program.
- Drive innovation through upgrades to the Region's Financial and Human Capital Management systems including enhanced reporting and dashboards.
- Address information technology pressures including increasing costs for software/hardware licensing, resources to support the Enterprise Maintenance Management System post implementation, security, geographic information system (GIS), and technology refresh, and ongoing infrastructure replacement needs.
- Enhance services provided by the Access and Privacy Office including developing corporate privacy protocols, education and public outreach.

Attachment #3 – 2024 – 2027 Forecast Highlights

This attachment highlights forecasted 2024 - 2027 initiatives organized under each of the five goals of the Durham Region Strategic Plan.

Environmental Sustainability

Under the Environmental Sustainability goal, the Region is focused on responding to Regional Council's climate emergency declaration by demonstrating corporate leadership and mobilizing community action through collaboration with local area municipalities and other key partners. The following are the forecasted 2024 – 2027 initiatives that support this Regional goal.

- Ongoing implementation of the Durham Community Energy Plan and the Durham Community Climate Adaptation Plan.
- Expand the residential energy retrofit program into other building sectors, including multi-unit residential buildings and small commercial buildings. Over the forecast period, further expansion opportunities may include institutional buildings and larger commercial buildings.
- Ongoing implementation of Regional fleet and facility climate change initiatives.
- Continued investment in state of good repair and lifecycle asset management incorporating emission reductions and energy efficiency measures as assets and components are replaced or refurbished.
- Implementation of the Region's Long-term Waste Management Strategy including both the Region's short-term and long-term organics management solutions that will be outlined in a forthcoming report to Works Committee.

Community Vitality

Under the Community Vitality goal, the Region is focused on fostering an exceptional quality of life with services that contribute to strong neighbourhoods, vibrant and diverse communities, and influence residents' safety and well-being. The following are the forecasted 2024 – 2027 initiatives that support this Regional goal.

- Implement the recommendations of the Paramedic Services Masterplan Review and Implementation Strategy being presented to Regional Council in February. The implementation strategy includes investment in additional paramedic resources and construction of a number of new and replacement Paramedic Stations over the forecast period to respond to increasing response times resulting from continued hospital offload delay and staffing challenges.
- Build and operate a new Regional long-term care home in North Pickering (Seaton) as approved by Council on December 21, 2022 through Report [2022-COW-32](#) with estimated annual net operating costs of between \$22.5 million and \$24.8 million, an estimated increase to the property tax levy of between 3 per cent and 4 per cent.
- Implement the recommendations of Durham Region Transit's Long-Term

Investment Plan being presented to Regional Council in February. The strategy includes phased investment in transit revenue service enhancements, electrification, new facilities and passenger amenities and fare modernization in alignment the transit modal share targets of the Transportation Master Plan through improved access, frequency and reliability, and the Region's goals of net zero greenhouse gas emissions by 2045.

- Respond to increased demand for a variety of public health services as a result of population growth, local epidemiology and an aging and more diverse community.
- Continued need to address wait lists in several social service program areas including individual, couple or family counselling services, behaviour management and affordable housing as well as provide the necessary supports to tenants with increasingly complex needs.
- Increased investment in Durham Regional Police Services including additional front line officers (current forecast includes 20 new front line officers each year for 2024 through 2026) and significant facility renewal and replacement.

Economic Prosperity

Under the Economic Prosperity Goal, the Region is supporting the building of a strong and resilient economy that maximizes opportunities for business and employment growth, innovation and partnership. The following are the forecasted 2024 – 2027 initiatives that support this Regional goal.

- Continue to advance transit-oriented development opportunities on key transit corridors including the GO Train Lakeshore East extension from Oshawa to Bowmanville.
- Continue to invest in Regional assets in response to growth pressures across all Regional departments. Over the forecast period it is anticipated that several of the planned Regional facilities to support the Seaton community will be designed, constructed and in some cases begin providing programs and services to the community. These include a Social Assistance and Family Services facility, Public Health facility, Waste Management facility and Transit facility. To help mitigate the financial impact of the operating costs of these facilities, the timing of the incremental property tax revenue is being aligned with the additional operating costs and the Regional programs and services being delivered from these facilities (strategy approved by Regional Council in the 2018 Regional Business Plans and Budget).

Social Investment

Under the Social Investment Goal, the Region is striving to ensure a range of programs, services and supports are available and accessible to those in need, so that no individual is left behind. The following are the forecasted 2024 – 2027 initiatives that support this Regional goal.

- Implement the recommendations coming forward from the Region's comprehensive Master Housing Strategy following consultation with the public and stakeholders. This strategy will operationalize and support the goals of At Home in Durham, including a fulsome review of the current housing system and the revitalization of the Regionally owned Durham Regional Local Housing Corporation portfolio.
- Support the opening of two new Regional directly operated childcare centres, one in North Durham and one in Bowmanville, anticipated to open in 2024/2025 to address the increasing need for childcare services in these areas of the Region.
- Respond to the impacts of provincial employment services transformation on the Social Assistance program delivery including life stabilization programming.

Service Excellence

Under the Service Excellence Goal, the Region is working to provide exceptional value to Durham taxpayers through responsive, effective and fiscally sustainable service delivery. The following are the forecasted 2024 – 2027 initiatives that support this Regional goal.

- Implement the findings from the Works Depot Rationalization study estimated at \$266.5 million between 2024 and 2029 (\$313.5 million between 2023 and 2029) as part of an overall Facility Master Accommodation Plan. A portion of these capital improvements is proposed to be funded from the Water Supply and Sanitary Sewerage Business Plan and Budget.
- Review and refresh the Region's Strategic Plan for 2025 - 2030.