



Durham Budget

2022

The Regional Municipality of Durham

2022 Business Plans and Budgets - Property Tax Requirements

Finance and Administration Committee – February 8, 2022

Overview

- 2022 Budget Overview and Priorities
- Public Engagement

Budget Overview

- CAO Office
- Corporate Services
- Finance Department
- 2022 Proposed Gross Budget
- 2022 Regional Property Tax Impacts
- 2022 Capital Budget and Nine-Year Forecast
- Use of Reserves and Reserve Funds
- 2022 Base Pressures
- Line-by-line Review
- COVID-19 Pandemic Impacts
- 2022 Budget Overview

Summary

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

Achieves the Regional
Council approved 2022
Business Plans and
Budgets
Guideline

With DRPS Adjustment

Supports the Region's
Strategic Plan

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

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

**Finance &
Administration
Committee:**

February 8, 2022

Regional Council:

February 23, 2022

Proposed 2022 Property Tax Increase

Proposed 2022 Property Tax Increase

2.0% + 0.35% + 0.25% = 2.6%

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



Police Request:

Total Police: \$233.32 million 4.54%



Conservation Authorities:

Operating: 2.5%
Special benefiting 1.5%



Community Investment Grant Policy:

Future Healthcare Investments: 0.25%

Key Messages:

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

The Budget Modernization Project - continues to focus on engaging with more residents and businesses in new and different ways to encourage their input on the Region's Business Plans and Budget including:

Video on How the Budget is Prepared **NEW**

featuring educational, engaging content that breaks down messaging in a digestible, easy-to-understand way



Frequently Asked Questions **NEW**

6 questions and answers that provides information about the annual business planning and budget process in a clear and easy to understand manner
and growing

Social Media Campaign

aligned with the progression of the business planning and budget process to support wider understanding and seek input throughout

Over 125,000

Impressions

Over 1,300

Engagements

Your Voice Durham

Have your say!

Share your
Regional Budget
priorities for 2022

348

visits to the webpage where residents are able to ask questions and provide comments online

Printed Public Notice

Shared through local newspapers covering every municipality in the Region

Residents were invited to learn more about the Region's Business Plans and Budgets, gain an increased understanding of the Region's programs and services and share input on key priority areas during a virtual Budget Town Hall

Hosted by the Chief Administrative Officer, Commissioner of Finance and Treasurer, and joined by the Region's Senior Leadership Team and Chief Rollauer for:

30
minute ↑
from
2020

1 ¹/₂
Hour

long event

Over
11,800
Residents

participated in the Virtual Budget
Town Hall **over the phone or on
the Region's website.**

*Rogers TV broadcasted a
recording on six occasions
between Oct 28th and Nov 6th*

30% ↑
from
2020

Over 100
Questions/
Comments

received

50% ↑
from
2020

20
Responses

provided during the
event



Implement the Community Safety and Well-Being Plan by building robust community capacity to ensure residents get the right services at the right time and ensure individuals and families can meet their needs for education, health care, food, housing, income as well as social and cultural



Create a Reconciliation Action Plan to identify areas for reconciliation and cultural safety relevant to Indigenous residents and employees to better understand, live alongside of, and work with Indigenous Peoples



Continue the work of the new Durham Region Anti-Racism Taskforce with community stakeholders, staff and other partners to ensure we successfully implement our anti-racism framework consistent with the Ontario Human Rights Code to demonstrate leadership in addressing systemic racism



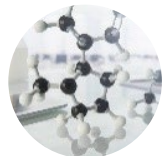
Continue to implement the Regional Intelligent Communities framework through signature projects



Expand on the early success of CityStudio Durham, including launching a Summer Innovation Fellowship Program



Enhance communications of our commitment to strategic goals and share results with the community to support transparency and accountability



Improve community engagement on Regional programs and services through an updated digital platform



Continue to implement a government relations strategy to advance key priorities with the provincial and federal governments



Work with local area municipalities, Conservation Authorities, and other partners to implement a flood risk resilience strategy to support increased public awareness and capacity to proactively address the increasing risks of flooding due to climate change



Research, develop and launch a sustainable energy alliance that focusses on strategic alignment between local governments, post secondary institutions, the energy sector, and business partners to address the acceleration of climate action on a regional scale



Continued implementation of the Enterprise Information Management Strategy moving the organization to electronic document management and better classification of corporate records



Year 2 of the MyDurham311 implementation. Activation in the fall of 2022 for the “311” dialing capability, implementation of the new Knowledge Base software



Enhance Cyber Security process for the protection of Regional Data



Continued implementation of Short-Term Disability programs for negotiated groups to eliminate the Sick Leave Liability issues.

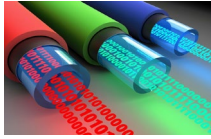


Continue to modernize the POA courts for remote hearings



Continued modernization of Regional Council and Committee through the implementation of eScribe and Council Chamber enhancements.

2022 Strategic Highlights - Finance



Support establishment of Municipal Services Corporation to advance the deployment of broadband



Partner in developing incentives for a Regional Community Improvement Plan



Partnership to build climate change initiatives and greenhouse gas emissions reduction targets into budgets and business plans



Update Transit Development Charges Background Study and Bylaw and commence work on main Region of Durham Development Charges Bylaw



Continue Budget Modernization Initiatives



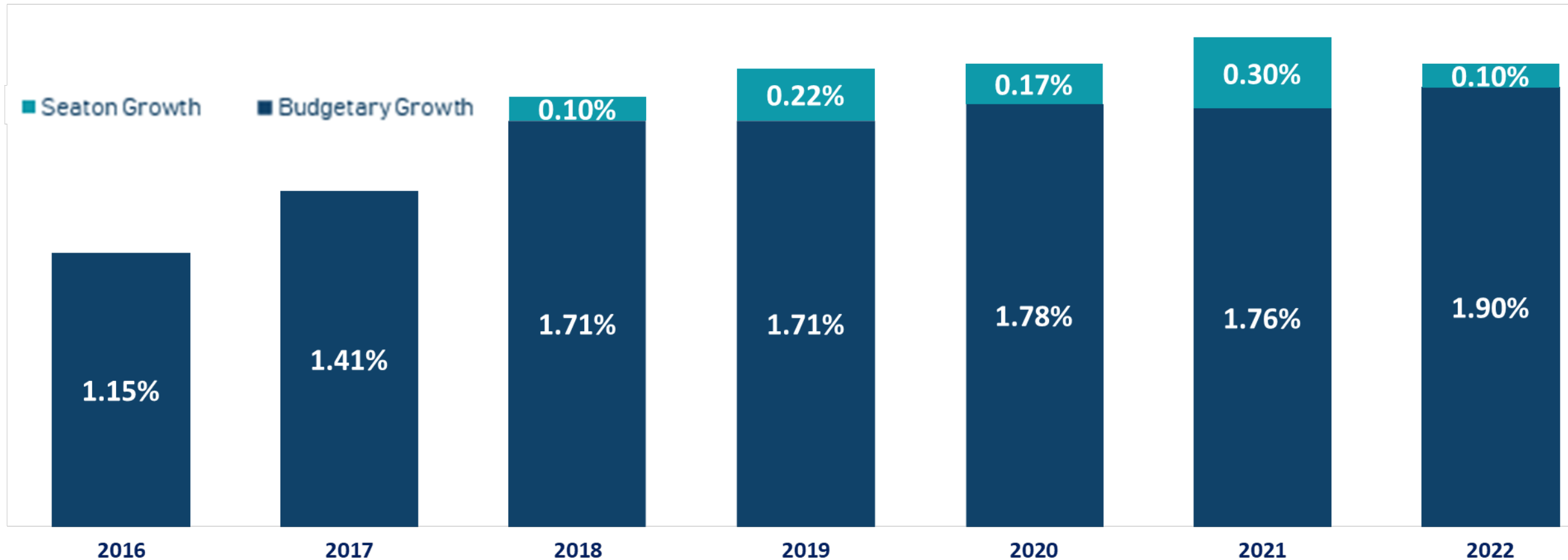
Implement Proactive Investment Strategies



Continue Technology and Cyber Risk Management program with partnership between Internal Audit and Corporate Services- IT Division



Implement online payments across the organization



Seaton Growth

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

Overview of Regional Finances

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

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

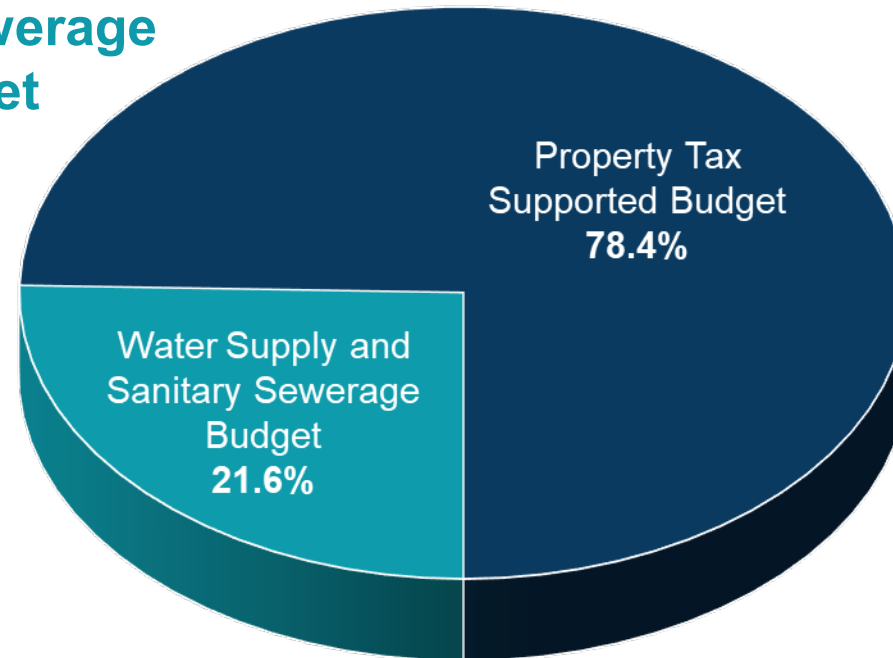
2022 Recommended Budget - \$2.2 billion

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

**Property Tax Supported
Business Plans and Budget**
\$1.7 billion

Water and Sewer Bill

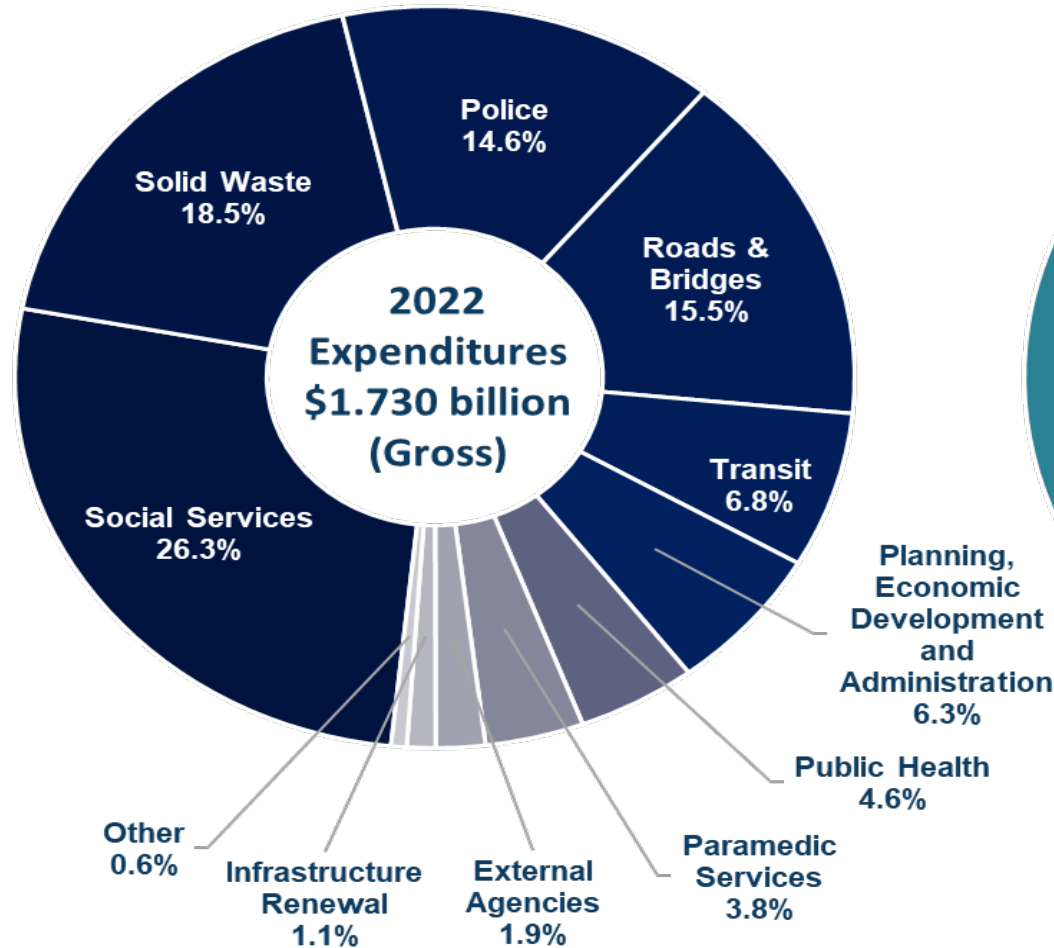
THE REGIONAL MUNICIPALITY OF DURHAM		WATER AND SANITARY SEWER BILL	
PERIOD BILLED TO		SERVICE ADDRESS	
ACCOUNT NUMBER		Average Residential Customer	
<small>PLEASE QUOTE THIS NUMBER WHEN INQUIRING</small> CURRENT WATER METER READING PREVIOUS WATER METER READING CONSUMPTION Typical Quarterly Average (56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



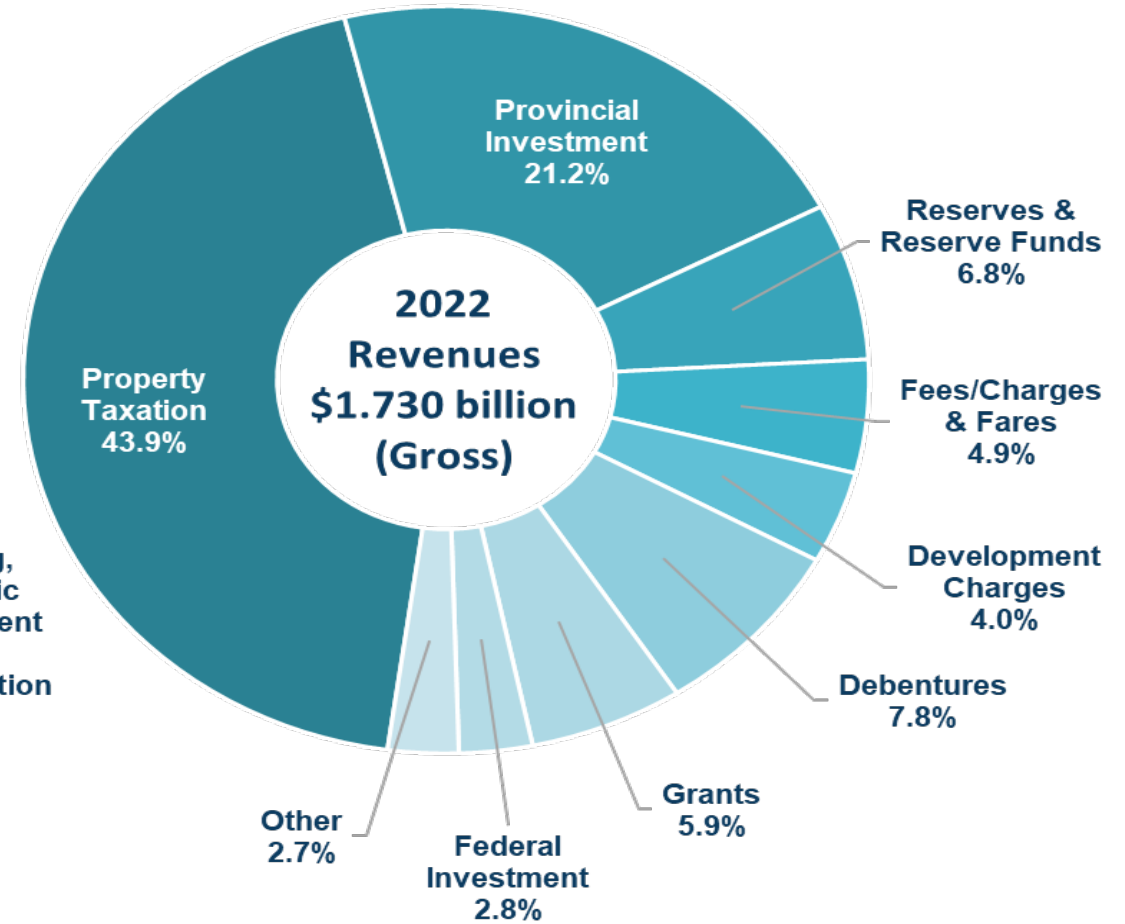
Property Tax Bill

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

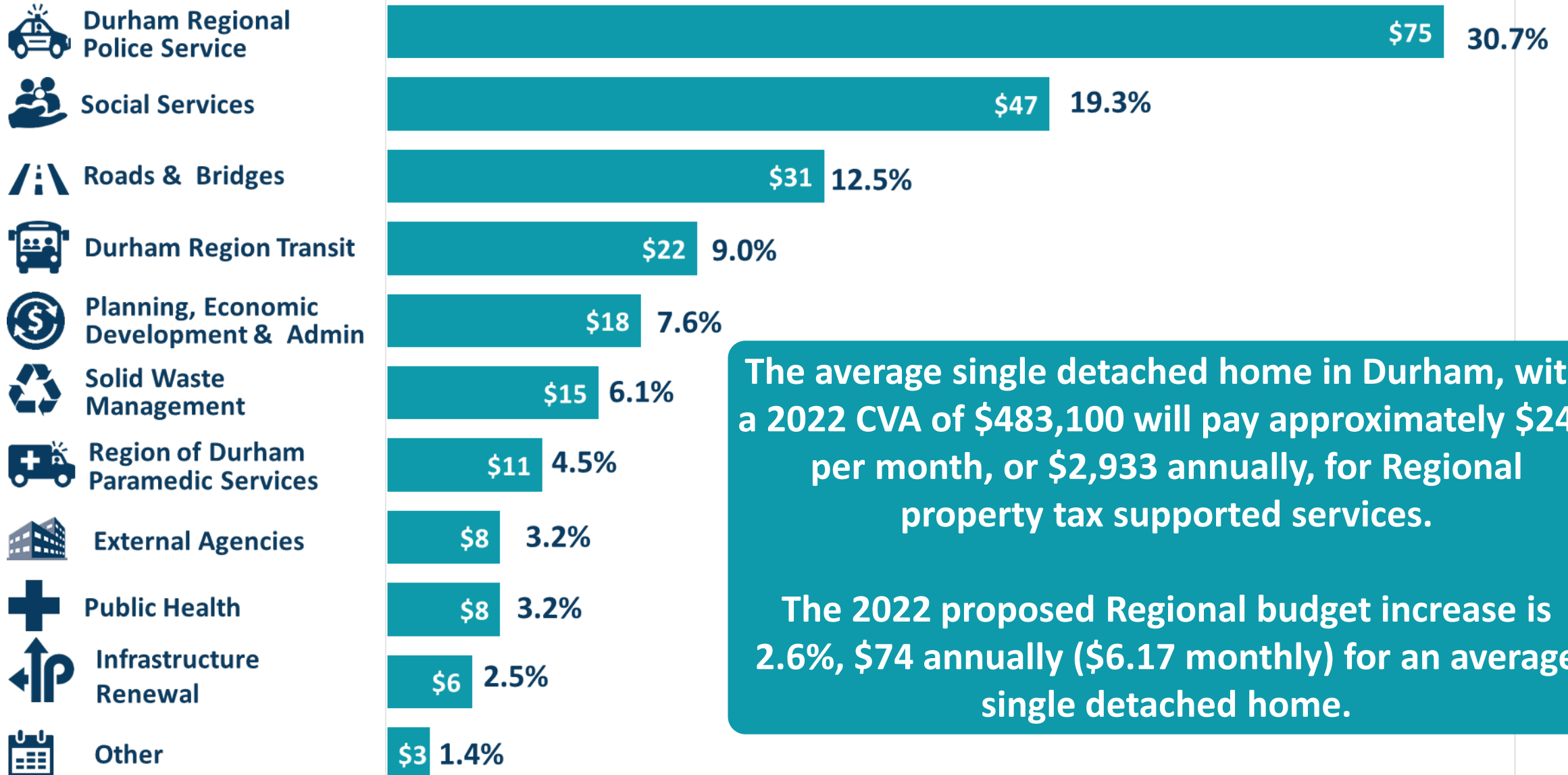
2022 Recommended Gross Expenses



2022 Recommended Gross Funding



2022 Regional Property Taxes – Average Home



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

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

2022 Regional Property Tax Impacts



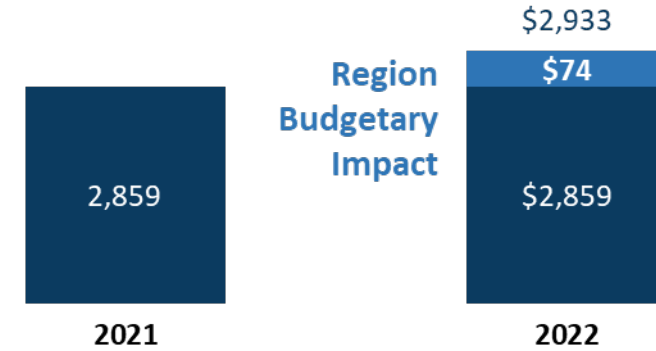
Residential Regional Budgetary Increase for an Average Residential Property Owner



2.6% \$74

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

Average Region-Wide Residential Home



No change in Residential Education Property Taxes

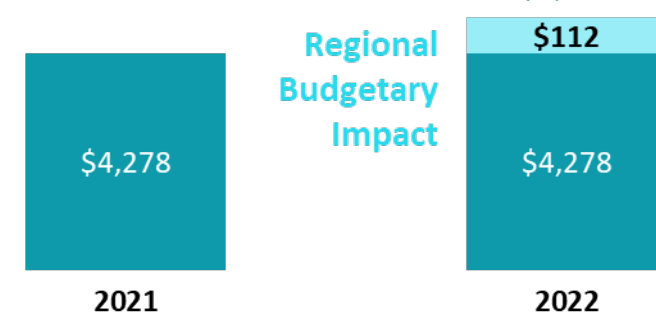
Commercial Regional Budgetary Increase



2.6% \$112

Based on Occupied 2022 CVA = \$500,000

Commercial Example Regional Portion



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

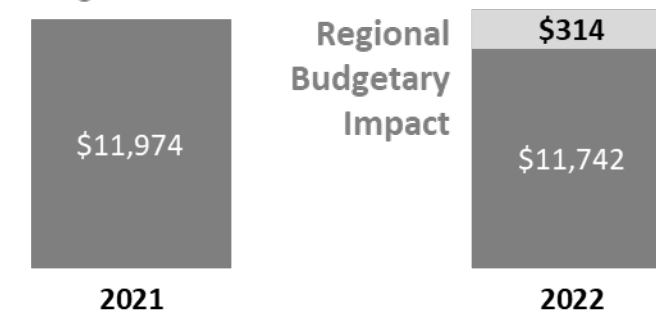
Industrial Regional Budgetary Increase



2.6% \$314

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

Industrial Example Regional Portion



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

2022 Capital Budget and Nine-Year Forecast



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



Water Supply
\$4.909 billion



Sanitary Sewerage
\$5.446 billion



Transportation
\$3.857 billion



Facilities
\$1.279 billion



Fleet & Equipment \$0.42 billion

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

Use of Reserves and Reserve Funds



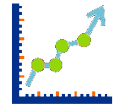
Source	Amount
Bridge Rehab Reserve Fund	\$5,525,000
Capital Project Reserve	2,628,055
Climate Mitigation and Environmental Initiatives Reserve Fund	1,000,000
Durham Regional Forest Reserve Fund and Assessment Appeal Reserve	209,048
Durham Region Healthcare Institution Reserve Fund	600,000
Economic Development Reserve Fund	425,000
Equipment Replacement Reserve	5,182,450
Innovation and Modernization Initiatives Reserve Fund	2,115,162
Insurance Reserve Fund	520,178
Operating Impact Stabilization Reserve Fund	2,209,108
Police Capital Reserve	403,700
Regional Roads Levy	10,259,756
Capital Impact Stabilization Reserve	22,102,999
Roads Rehab Reserve Fund	27,210,000
Sick Leave Reserve	420,000
Transit Capital Reserve Fund	3,604,180
Vision Zero Reserve Fund	725,000
Waste Management Reserve Fund	32,700,000
Development Charges	69,645,007
Federal Gas Tax	37,016,453
Provincial Gas Tax	9,523,815
Total	\$234,024,981

- \$9.2 million (4.1%) increase over 2021 (higher if hospital factored in)
- Additional pressure on operating impact reserve fund depending on Transit COVID-19 impact, vaccine rollout costs etc.

In developing the 2022 Business Plans and Budgets, consideration is given to the following items:



Annualization of 2021 budget decisions



Contractual and inflationary adjustments



Financial impact of Durham's COVID-19 response and recovery plan



Legislative impacts on the Region's programs and services



Changes in provincial and federal funding



Strategic priorities aligned with the Region's Strategic Plan

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

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

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



Economic Development



Social Services – \$3,400,000



Public Health – \$16,337,000



Transit – \$8,019,000

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

Strategic priorities aligned with the Region's Strategic Plan



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



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



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



Implement the Durham Home Energy Savings Program

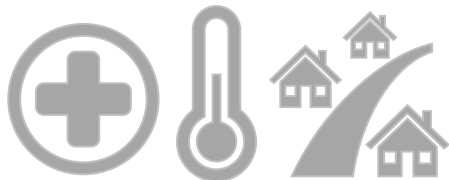
Environmental Sustainability

Community Vitality

Economic Prosperity

Social Investments

Service Excellence



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



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



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



Respond to provincial legislative changes on extended producer responsibility

Strategic priorities aligned with the Region's Strategic Plan



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



Provide paramedic services out of the new Seaton paramedic response station



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



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

Environmental Sustainability

Community Vitality

Economic Prosperity

Social Investments

Service Excellence



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

Strategic priorities aligned with the Region's Strategic Plan



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



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



Continue the implementation of the Region's Broadband Strategy



Implement DRT Ambassadors program



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

Environmental Sustainability

Community Vitality

Economic Prosperity

Social Investments

Service Excellence



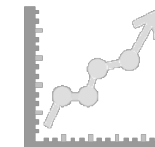
Continue to advance the development of the Region's Official Plan - Envision Durham



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

Strategic priorities aligned with the Region's Strategic Plan



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



Invest in Homelessness Programs



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



Increase the Regional contribution to the rent supplement program

Environmental Sustainability

Community Vitality

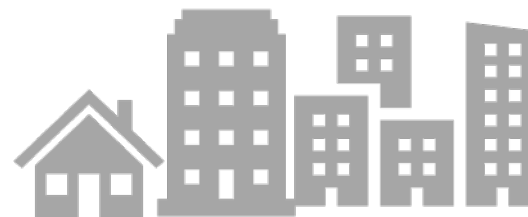
Economic Prosperity

Social Investments

Service Excellence



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



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

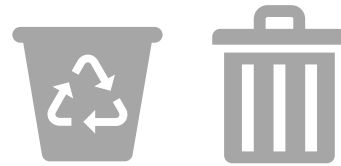


Modernize Ontario Works paper records

Strategic priorities aligned with the Region's Strategic Plan



Implement the multi-year enterprise myDurham311/ Service Durham project



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



Increase investment in technology infrastructure, applications and security



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

Environmental Sustainability

Community Vitality

Economic Prosperity

Social Investments

Service Excellence



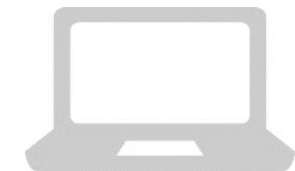
Provide enhanced health, safety and wellness supports for staff



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

Impacts on 2023 Budget:

- Annualization of new positions (\$6.7 million)

Forecasted Pressures:

- Road and bridge rehabilitation and expansion needs over the forecast period (\$1.0 billion)
- Future servicing of employment lands
- Investment in broadband infrastructure
- Facility expansion over the forecast period to provide services for a growing and diverse population
- Investments to implement Climate Master Plan and reduction in GHG emissions
- Increased operating cost pressure for long-term care homes
- Seaton long-term care home
- Potential additional health resources to address permanent impacts of COVID-19
- Investments to achieve Council's affordable housing targets
- Aging social housing portfolio requiring significant capital investment
- Continued need to address waitlists in several social service program areas
- Funding Hospital Expansions and Development

Risks and Uncertainties:

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

Mitigation Strategies

- Long-term financial planning
- Risk and Asset Management
- Financial flexibility and sustainability

Proposed 2022 Property Tax Increase

Proposed 2022 Property Tax Increase

2.0% + 0.35% + 0.25% = 2.6%

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



Police Request:

Total Police: \$233.32 million 4.54%



Conservation Authorities:

Operating: 2.5%
Special benefiting 1.5%



Community Investment Grant Policy:

Future Healthcare Investments: 0.25%

Key Messages:

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



Durham Budget

2022

Questions