



Durham Budget

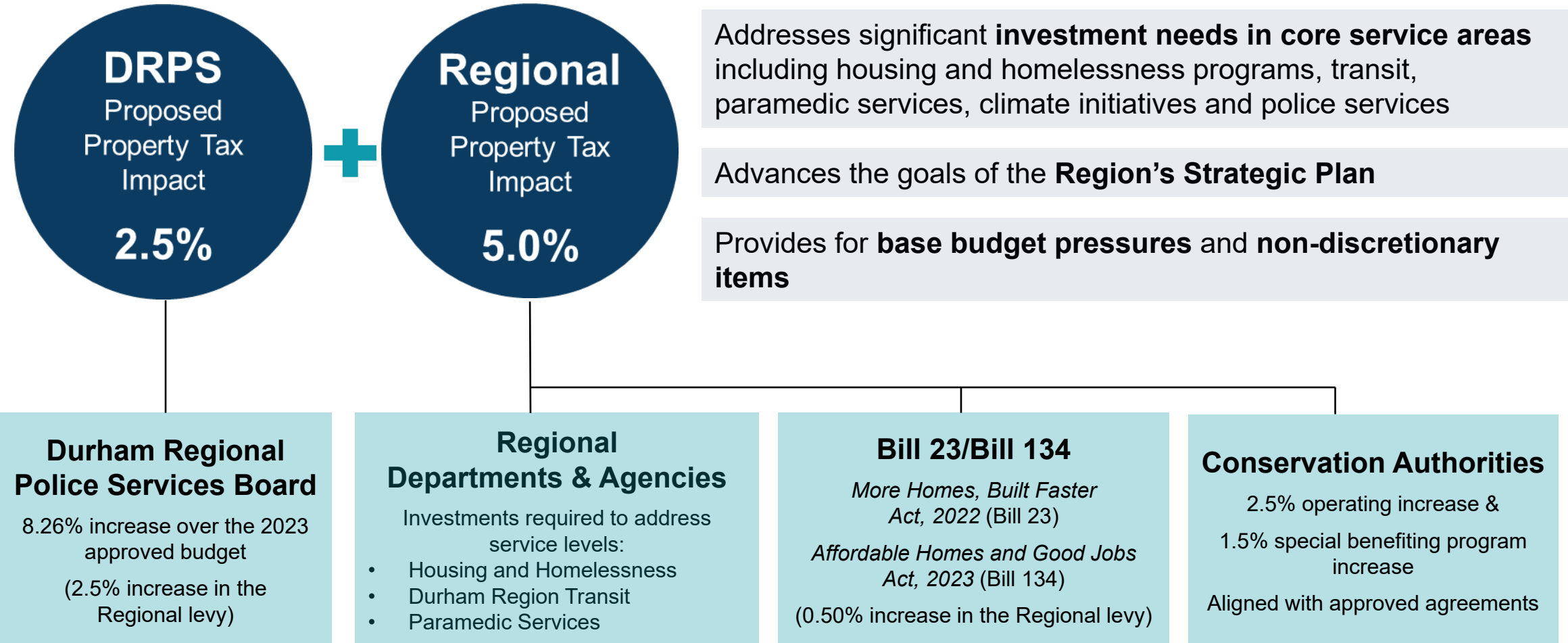
2024

2024 Business Plans and Budget

Regional Council

March 27, 2024

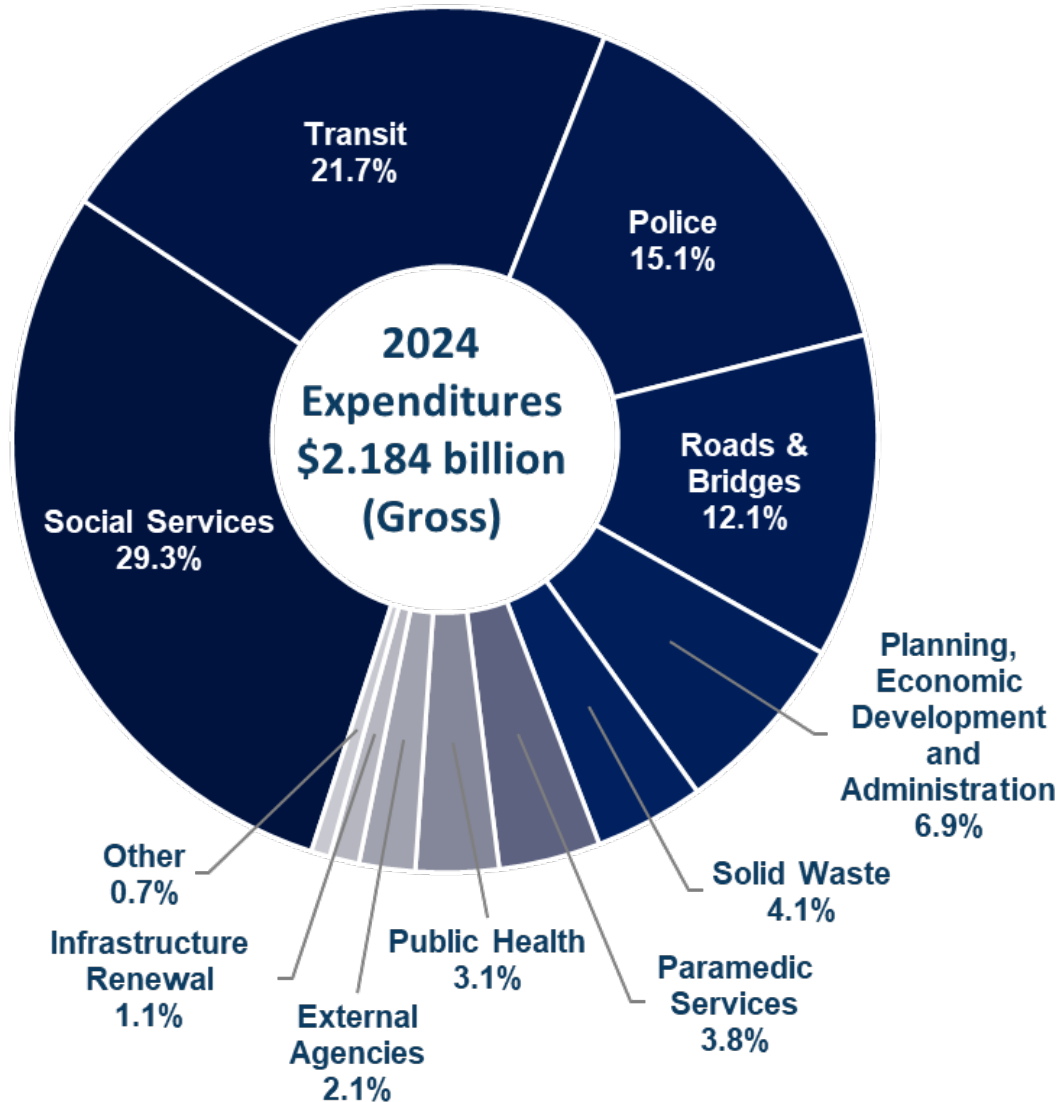
Overview of the 2024 Budget



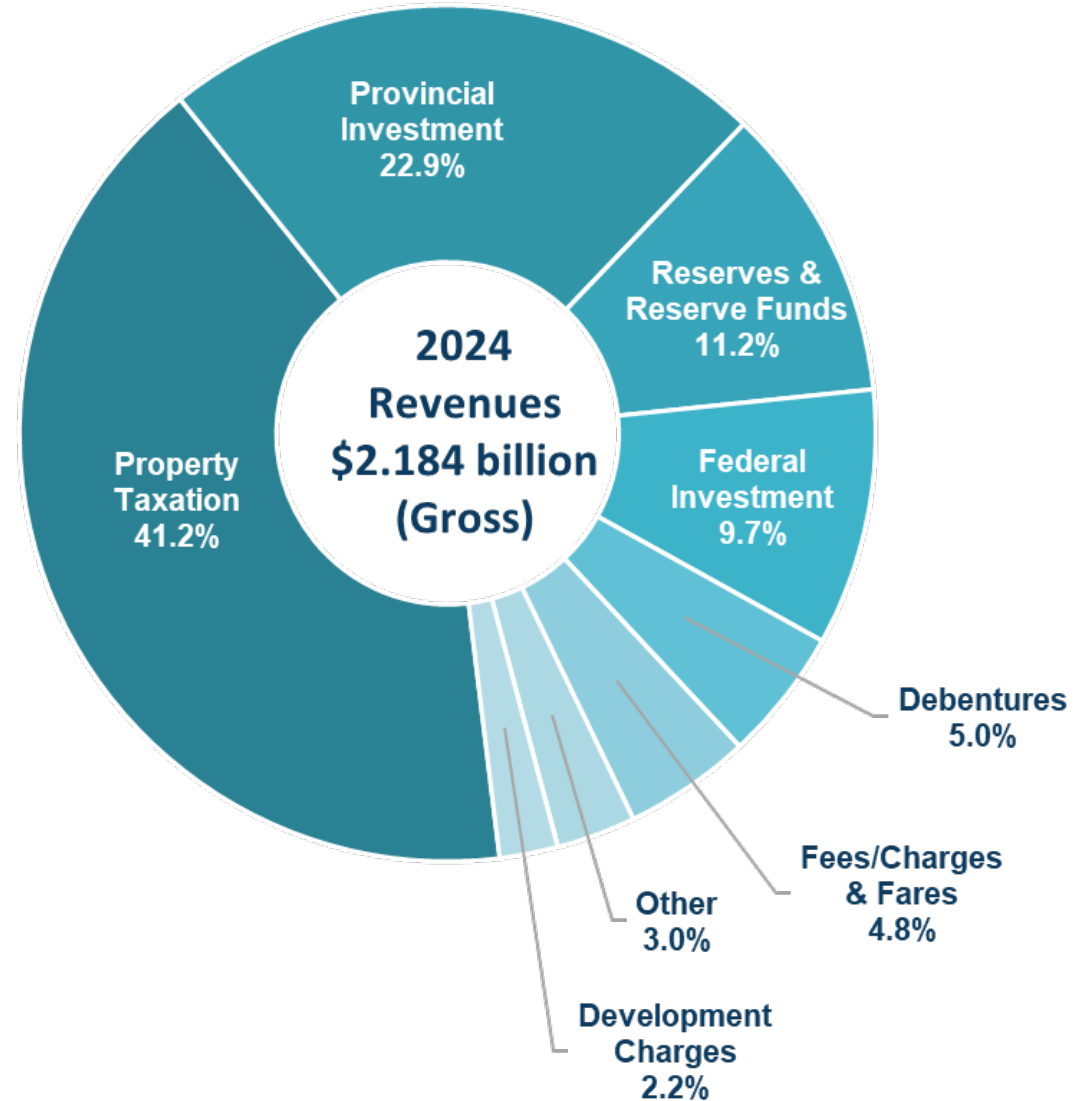
Regional Property Tax Supported Budget



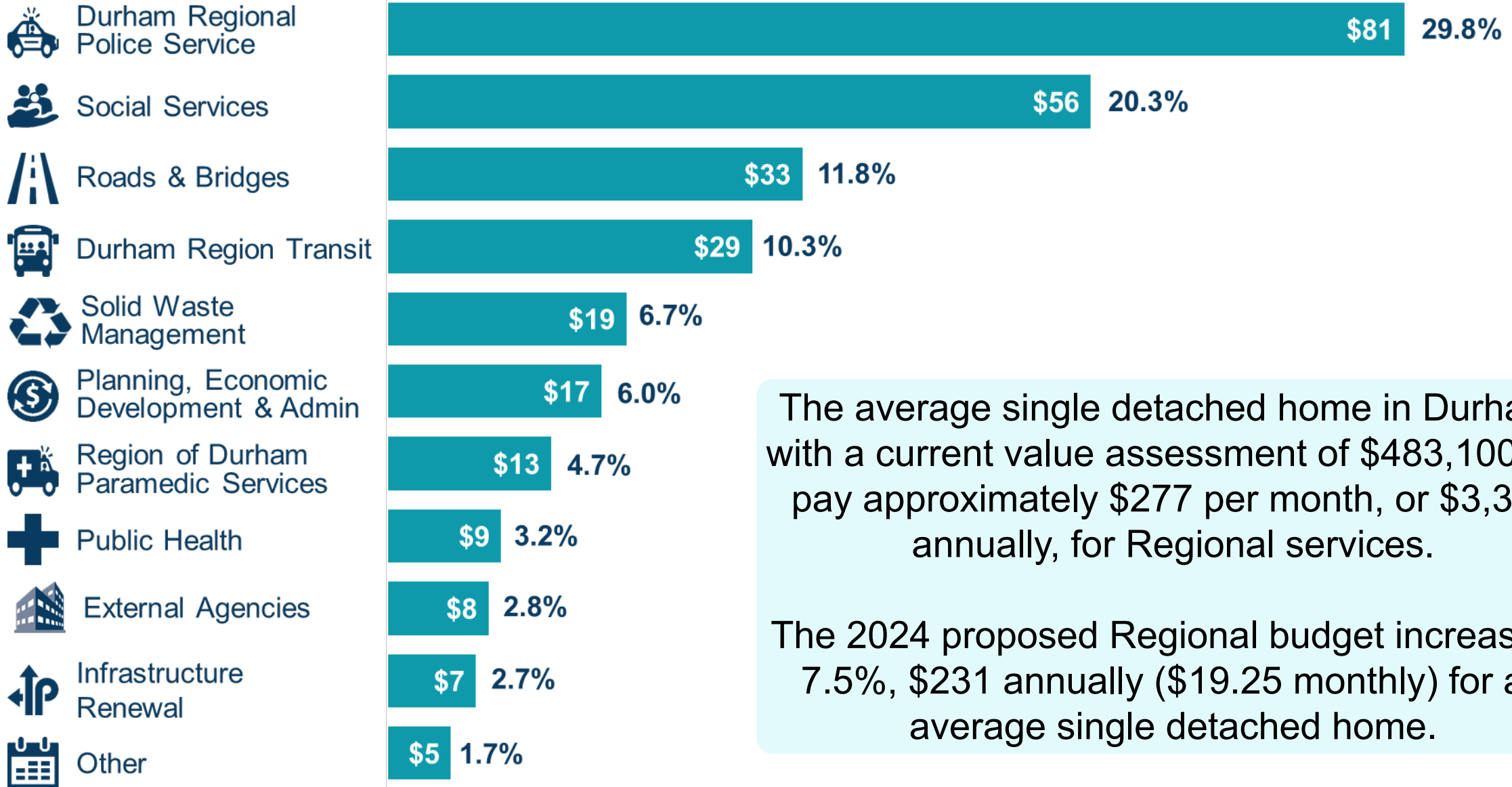
2024 Recommended Gross Expenses



2024 Recommended Gross Funding



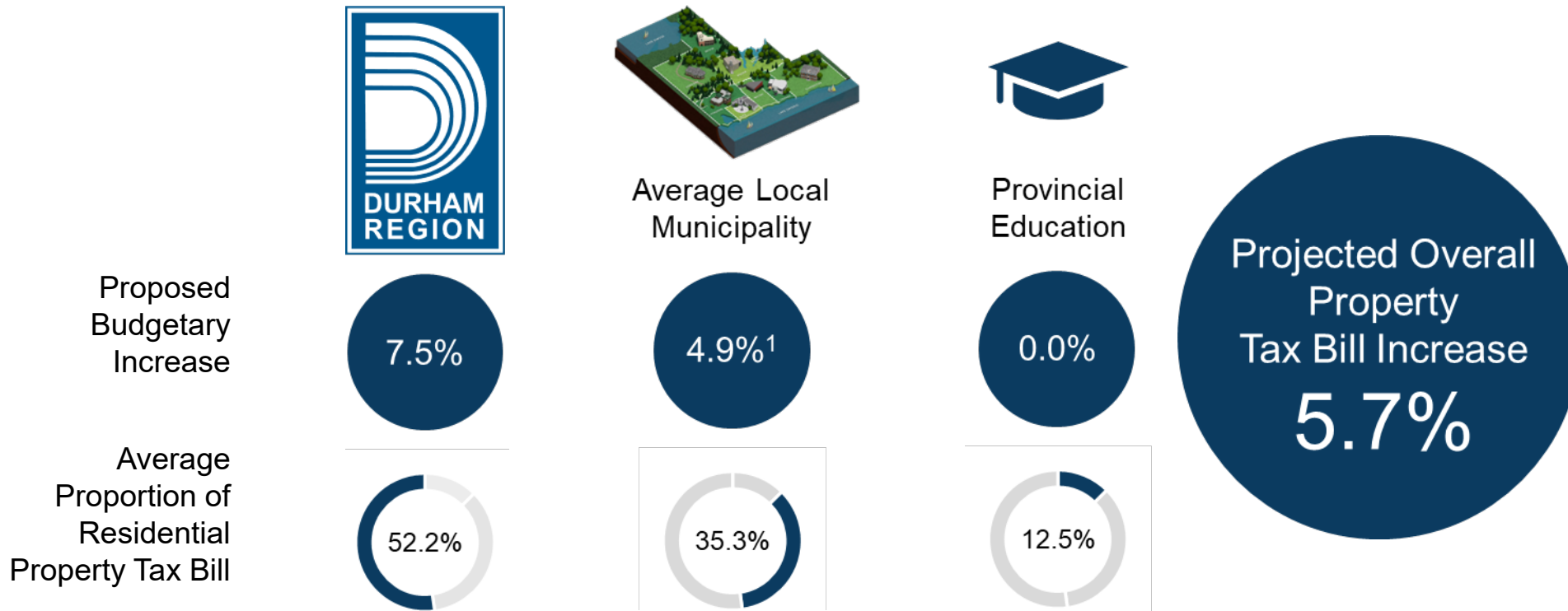
2024 Regional Property Taxes: Average Home



The average single detached home in Durham, with a current value assessment of \$483,100 will pay approximately \$277 per month, or \$3,318 annually, for Regional services.

The 2024 proposed Regional budget increase is 7.5%, \$231 annually (\$19.25 monthly) for an average single detached home.

2024 Property Tax Impacts: Overall



Overall Impact

$$3.9\% + 1.8\% + 0.0\% = 5.7\% \text{ }^2$$

An annual impact of approximately \$231 for an average residential property owner in Durham Region with a 2024 current value assessment of \$483,100

¹ The Municipal proposed budget is an estimate based on currently available information regarding the projected 2024 budget increases for the local municipalities and is subject to amendment

² The overall property tax bill increase will vary subject to the local municipality in which the property is located

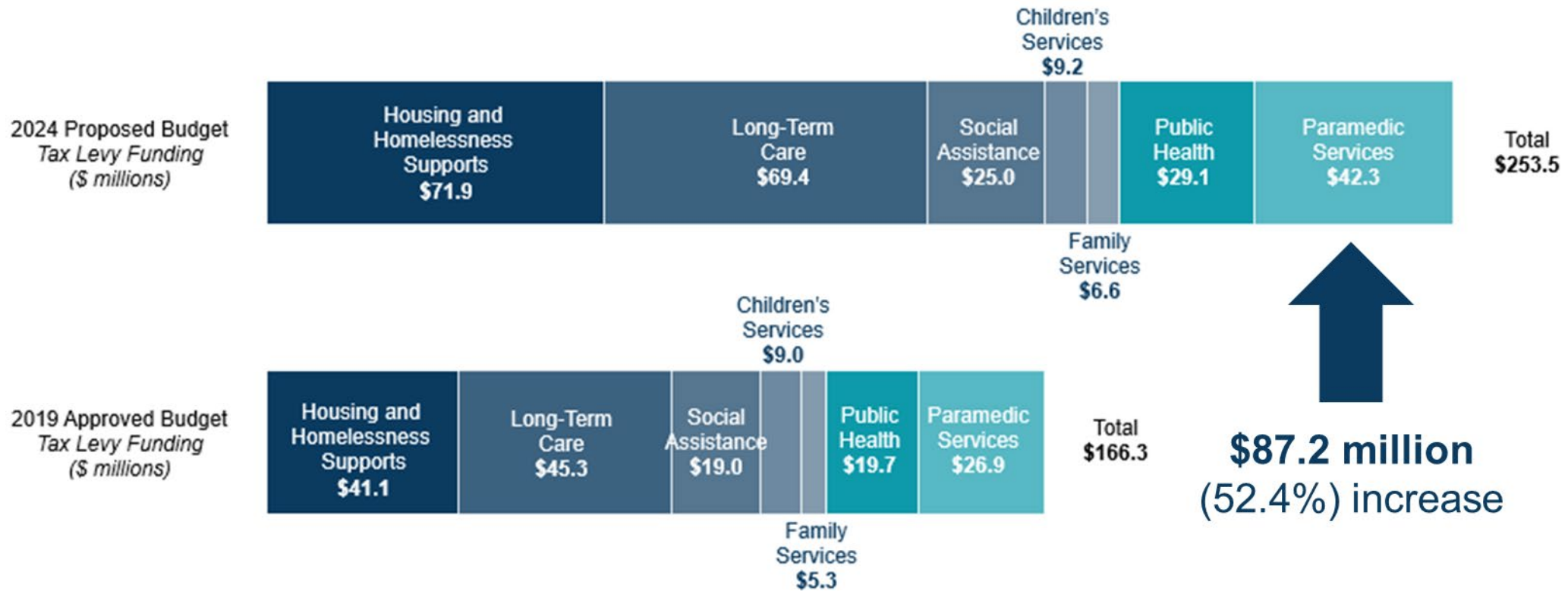
The 2024 Budget responds to a number of base pressures that are required to ensure the continued delivery of the Region's existing programs and services including:

- ! Significant **inflationary pressures** and **capital cost escalations**
- Debt servicing costs for debt approved in 2023
- Staff and service **contract cost** increases
- Changes in **provincial and federal funding**
- ! **Bill 23, *More Homes Built Faster Act, 2022*, Bill 134, *Affordable Homes and Good Jobs Act, 2023*** and related legislation impacts
- ! The **annualization** of 2023 budget decisions and **decisions approved in-year**

Accommodating these base pressures while investing in critical service areas required that all possible financing sources were taken into consideration such as the sustainable use of reserves and reserve funds

Fiscal Sustainability - New Financial Framework

In 2024, regional tax levy funding of social services and public health programs was approximately **\$253.5 million** or approximately **28.2 per cent** of the overall regional property tax levy



The Region continues to:

- Support AMO's call for a **Social and Economic Prosperity Review** and FCM's call for a **new framework for raising municipal revenue**
- Advocate for **Long-Term Care**, sustainable **Transit**, **Housing and Homelessness**, and **Public Health** funding

Significant Investments in Critical Service Areas

Housing and Homelessness	Regional Transit	Paramedic Services	Police Services	Climate Action	Other
--------------------------	------------------	--------------------	-----------------	----------------	-------

	2024 Budget (\$,000's)			Increase Over 2023 Budget (\$,000's)		
	Regional Funding	Non-Regional Funding*	Total Funding	Regional Funding	Non-Regional Funding*	Total Funding
Homelessness Support Programs	\$9,545	\$21,669	\$31,214	\$3,276	\$6,598	\$9,874
Housing Programs	\$56,158	\$20,187	\$76,345	\$1,124	\$1,197	\$2,321
DRLHC**	\$14,992	\$14,658	\$29,650	\$807	\$6,937	\$7,744
Total Investment	\$80,695	\$56,514	\$137,209	\$5,207	\$14,732	\$19,939

Total Regional investment of **\$80.7 million, an increase of \$5.2 million (6.9%)** from the 2023 approved budget









- \$72.1 million is funded from property taxes** (approximately 8.0% of the overall Regional Levy)

Total investment of **\$137.2 million, an increase of \$19.9 million (17.0%)** from 2023 approved budget

Share of Pickering Casino revenue has enabled Regional investment in housing and homelessness supports

* Non-Regional Funding include provincial funding, federal funding, rents and other misc. funding
 ** Does not include one-time funding for Community Settlement Services

Strategic Investments

 At Home Incentive Program \$8.0 million	 Housing Redevelopment Office \$0.5 million	 Community Housing Supports \$47.9 million	 Durham Outreach Program \$1.8 million
 Housing Redevelopment \$7.3 million	 Rent Supplements \$8.3 million	 Regional Supportive Housing \$3.4 million	 Housing and Homelessness Supports including Community Supports, Warming Centres and Shelters \$27.4 million

Significant Investments in Critical Service Areas

Housing and Homelessness

Regional Transit

Paramedic Services

Police Services

Climate Action

Other

Net:
\$92.8 million



Overview

Informed by the Durham Region Transit's Service and Financing Strategy (2023 – 2032) ([Report #2023-F-5](#)) approved by Regional Council in February 2023

↑ \$13.1 million
16.5%



Strategic Investments



Increase of 59,665 revenue service hours

\$5.9 million (net)



New Terminal and bus stop infrastructure

\$21.0 million



Additional fare and UPass revenues

(\$3.8 million)



34 electric buses and supporting electrification infrastructure

\$65.7 million*



Design electrification infrastructure upgrades at Westney Facility

\$5.0 million*



Design Raleigh Bus Storage Facility rebuild including electrification infrastructure

\$8.7 million



Construction of new Indoor Bus Storage and Servicing Facility

\$239.7 million*

*Investments are contingent on approval of federal Zero Emissions Transit Fund grant funding

Significant Investments in Critical Service Areas



Housing and Homelessness

Regional Transit

Paramedic Services

Police Services

Climate Action

Other



Overview

Aligned with the 2023 – 2032 Region of Durham Paramedic Services Service and Financing Strategy ([Report #2023-COW-7](#)) approved by Regional Council in February 2023



Strategic Investments

Net:
\$42.3 million

\$4.3 million
11.4%

Gross:
\$84.1 million

\$7.8 million
10.2%



3 new 12 hour shifts daily (16 new paramedics and supporting infrastructure)

\$3.0 million (annualized)



2 new full-time support and management staff positions for 9-1-1 response

\$0.3 million (annualized)



Land acquisition and design for Bowmanville Paramedic Station

\$2.0 million



Advanced Care Paramedic Training

\$0.4 million



Design for South Whitby Paramedic Station

\$0.4 million



Improvements at existing Paramedic Stations

\$0.5 million



Community Paramedicine Program

\$4.9 million



Primary Care Outreach Program

\$0.8 million



Projected increase in provincial subsidy

(\$1.5 million)

Significant Investments in Critical Service Areas



Housing and Homelessness

Regional Transit

Paramedic Services

Police Services

Climate Action

Other

Net:
\$268.0 million

↑ \$20.4 million
8.3%



Strategic Investments



25 additional Frontline Officers to respond to growth and an increase in frontline work
\$3.0 million (annualized)



29 additional officers and 22 new civilian positions supporting investigative and operational support units
\$7.3 million (annualized)



Increased investment in education, training and wellness programs
\$0.3 million



New dedicated police headquarters facility
\$13.1 million



Specialized Services relocation
\$7.0 million



Regional Reporting Centre investment
\$9.0 million

Gross:
\$330.4 million

↑ \$63.7 million
23.9%



Central West Division improvements
\$1.5 million

Significant Investments in Critical Service Areas

Housing and Homelessness

Regional Transit

Paramedic Services

Police Services

Climate Action

Other



Overview

A strategic priority of the Region is to continue to integrate a climate lens into the annual business planning and budget process to align corporate climate and operating plans with achieving the Region's greenhouse gas reduction target of net zero by 2045



Strategic Investments



Advancement of the Region's Light Duty Fleet Electrification Strategy in Works and Police Services

\$4.1 million



Energy efficiency improvements at DRLHC properties

\$6.7 million



Complete Greenhouse Gas Reduction Pathway Feasibility Studies for up to 55 Regional facilities



Advance planning and implementation of transit-oriented communities

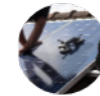


Continue utilization of recycled materials for road construction



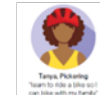
Advance various programs and initiatives focused on reducing community emissions including Durham Building Challenge Benchmarking and Disclosure Program, Durham Green Development Program, Durham Greener Homes Program and the LEAF Backyard Tree Planting Program

\$0.6 million



Install solar panels at RHQ

\$0.8 million



Implement the Regional Cycling Plan including, construction of cycling infrastructure, advancing the Durham Meadoway project and wayfinding strategy in partnership with area municipalities



Develop a District Energy Master Plan

\$0.1 million

Significant Investments in Critical Service Areas



Housing and Homelessness

Regional Transit

Paramedic Services

Police Services

Climate Action

Other

- Develop Durham Region's **2025 Strategic Plan** (\$0.1 million)
- Develop a new **Diversity, Equity and Inclusion Strategy** (\$0.1 million)
- Ongoing implementation of the action items identified in the **Region's Equity Audit** (\$0.2 million)
- Invest in Regional **infrastructure to support projected growth and provincial housing targets**
- Continue to progress the approved **Lakeshore East GO Extension to Bowmanville** including **station design** to capitalize on the economic and community building benefits associated with rapid transit investment (\$12.0 million)
- Continue implementation of **Service Durham**, modernizing service delivery and providing a seamless customer experience (\$6.9 million)
- Advance the Region's **Cyber Risk Management Program** (\$3.9 million)
- Invest in the development of a **Poverty Reduction Plan** (\$0.1 million) and the implementation of the **Community Social Investment Program** directly supporting local non-profits (\$0.5 million)
- **Expand available childcare spaces** at the Region's Early Learning and Childcare Centres including the new Village Union Regional Centre in Oshawa (\$0.7 million)
- Implement an **emotional model of care for long-term care residents** (\$0.4 million)
- Ongoing recovery efforts including catching up core public health services including **dental screening in schools and childhood immunizations** and addressing **mental health needs for residents and those living with addictions**
- Continue execution of action items in the **Region's Economic Development and Tourism Strategy**
- Implement the **Family Physician Attraction and Retention Program** (\$0.1 million)
- Investment in Durham OneNet Inc. to deliver **improved broadband connectivity** for residents, businesses and Regional facilities and traffic infrastructure across Durham (\$14.3 million)

Potential Social Housing Development/Redevelopment Projects



of Units

2024
Proposed
Budget

2025

2026

2027

2028

2029 - 2033

Forecast
Total

Forecast
(\$,000's)

Projected Capital Expenditures

Christine and "The Broader Hill"	500	-	30,250	60,500	60,500	60,500	90,750	302,500
Malaga	444	-	67,155	67,155	67,155	67,155	-	268,620
Ritson Housing	770	-	93,170	93,170	93,170	93,170	93,170	465,850
Ritson Building Renovation	-	-	17,228	17,228	8,614	-	-	43,070
TBD Site	80	-	4,840	9,680	19,360	14,520	-	48,400
1635 Dundas	24	-	6,600	6,600	-	-	-	13,200
Rossland	257	-	7,774	15,549	31,097	31,097	69,968	155,485
Poplar/Linden	165	-	1,000	1,500	2,000	9,982	85,343	99,825
The Lake	680	-	-	2,500	2,500	2,500	403,900	411,400
Property/Building Acquisition for Development Beyond 2033	-	-	-	-	10,000	-	20,000	30,000
Property Tax Supported Capital Financing	2,920	-	228,017	273,882	294,396	278,924	763,131	1,838,350

- >>> Estimate of potential capital costs for the development/redevelopment of Social Housing units from 2025 to 2033 under a straight rebuild model.
- >>> Individual decisions regarding the development of each site will be subject to further review and reports to Committee/Council, detailing capital project delivery model, potential partnerships, refined cost estimates and financing strategies.
- >>> Advancement of a capital program of this magnitude will require significant investment by both the provincial and federal governments and the pursuit of strategic private partnerships.
- >>> 2024 budget includes a provision of \$7.3 million for social housing development/redevelopment, \$2.0 million is dedicated for the Region's ongoing work on the redevelopment of the DRLHC Christine and The Hill properties.
- >>> Staff to report back on a 10-year Housing Service and Financing Strategy in conjunction with the 2025 Business Plans and Budget.

2024 Capital Budget and Nine-Year Forecast

Durham Budget 2024	2023 Approved Budget (\$,000's)	2024 Proposed Budget (\$,000's)	Forecast (\$,000's)					Forecast Total
			2025	2026	2027	2028	2029 - 2033	
Capital Expenditures								
Property Tax Supported Capital Expenditures	493,159	629,004	728,530	572,537	475,827	493,291	2,782,386	5,052,571
Capital Financing								
General Levy	31,179	34,265	56,147	107,714	76,005	132,300	387,820	759,986
Development Charges	78,435	47,499	109,982	173,453	164,274	186,543	1,165,925	1,800,177
Reserves and Reserve Funds	135,612	240,404	210,254	170,591	139,748	148,910	764,585	1,434,088
Debentures	129,549	109,928	201,495	74,109	48,134	25,520	455,030	804,288
Subsidy/Grant	103,749	191,048	147,909	46,666	46,666	-	-	241,241
Other Financing	14,635	5,860	2,743	4	1,000	18	9,026	12,791
Property Tax Supported Capital Financing	493,159	629,004	728,530	572,537	475,827	493,291	2,782,386	5,052,571

Investment / Household to Replace all Assets \$82,690



- >>> Region is entering into a period of significant investment in a number of major projects for which the Region has been accumulating financing in reserve and reserve funds over the last number of years.
- >>> Need to continue to increase tax levy investment in capital for sustainable asset management work.
- >>> Increased use of reserves, reserve funds and debenture financing projected over the ten-year capital plan.
- >>> Incorporates growth related infrastructure to support provincial housing targets.

Estimated 2023 Impact of Bill 23 and Related Legislation

Description	Amount
Water	\$14,741,812
Sewer	\$14,943,925
Transit	\$1,143,946
General (Excluding Water, Sewer, Transit)	\$21,952,150
No Longer Eligible Services (Housing, Studies etc.)	\$3,505,780
2023 Total Impact (loss of Development Charge Receipts)	\$56,287,613

- »»» **\$56.3 million** – estimated 2023 property tax impact of Bill 23 and related legislation – recommendation to allocate available property tax surplus towards 2023 property tax impact
- »»» **\$470 million** – estimated forgone development charge revenues for property tax supported services by 2033
- »»» **1.55 per cent** – estimated incremental annual property tax increase each year from 2025 to 2028 to address Bill 23 and related legislation impacts

To achieve the Regional Council approved 2024 Business Plans and Budgets Guideline – while minimizing service level impacts - a series of items have been deferred / phased in their implementation

- Deferred increasing property tax funding for **road rehabilitation** projects required to keep pace with capital cost escalations and achieve the Region's pavement condition index service level
- Deferred consideration of proactive **rehabilitation strategies** to potentially achieve lower lifecycle costs **for Regional bridges and structures**
- Shifted from providing approximately 75,000 households with one new additional green bin to support the Region's enhanced green bin program to providing **35,000 households with one new additional green bin at a 50 per cent discount**
- Achieved **85 per cent of projected revenue service hour growth** identified in the 10-year Transit Strategy (2024 proposed budget includes increase of **59,665 revenue service hours**) in addition to priority new positions and capital infrastructure not identified in Strategy
- Deferred additional investment in **homelessness supports**, expansion of **operating capacity at the Region's directly operated early learning and childcare centres**, expansion of **resident supports at the Region's long-term care homes**, additional increases in **rent supplements**, additional investment in **state of good repair projects at DRLHC properties, directly operated early learning and childcare centres and the Regional operated long-term care homes**
- Deferred hiring of **Health Policy Analysts, Public Health Inspector, Planners, Community Advisors, eLearning Specialists, Training and Knowledge Management Manager, Electronic Information Management, Indigenous Community Advisor, Communication and Community Engagement positions**
- **Reduced planned economic development trade show participation** (Collision Conference)
- Deferred investment to support implementation of the **Regional Intelligent Communities framework** and an enterprise-wide **innovation project management tracking system**
- Phased required increases in the **Region's fleet rate** to ensure full cost recovery and accurate activity costing
- Applied **additional reserve and reserve fund financing**
- Completed comprehensive **line-by-line reviews** to identify savings resulting from efficiencies, process improvements and modernization efforts and reduce budgets for areas historically underspent



Strategic Investments Pressures

Achieving the Region's GHG emissions reduction target

Lakeshore GO East Extension

Social housing redevelopment

Housing and homelessness supports

Advancing critical investments in DRPS (\$4.3 million+)

North Pickering Long-Term Care Home operating costs (\$22.5 million to \$24.8 million)

A new Directly Operated Early Learning and Childcare Centre

2024 Region of Durham Strategic Plan initiatives



Implementing long-term service and financing strategies

Durham Region Transit's Long-Term Investment Plan (4.5%)

Paramedic Services Masterplan Review and Implementation Strategy (0.5%)



Provincial/Federal Funding/Legislation Pressures

Development Charge shortfalls (Bill 23, Bill 134) (1.55% annually)

Federal review of Canada Community Building Fund (Federal Gas Tax) and potential program changes

Sustainability of Provincial Gas Tax funding

Increasing reliance on property tax funding to support health and social services

Significant reduction in federal Reaching Homes funding

Strengthening Public Health Strategy, including provincial review of Ontario Public Health Standards and funding

Fixing Long-Term Care Act, 2021

New regulations under the *Community Safety and Policing Act, 2019*



Forecasted Pressures

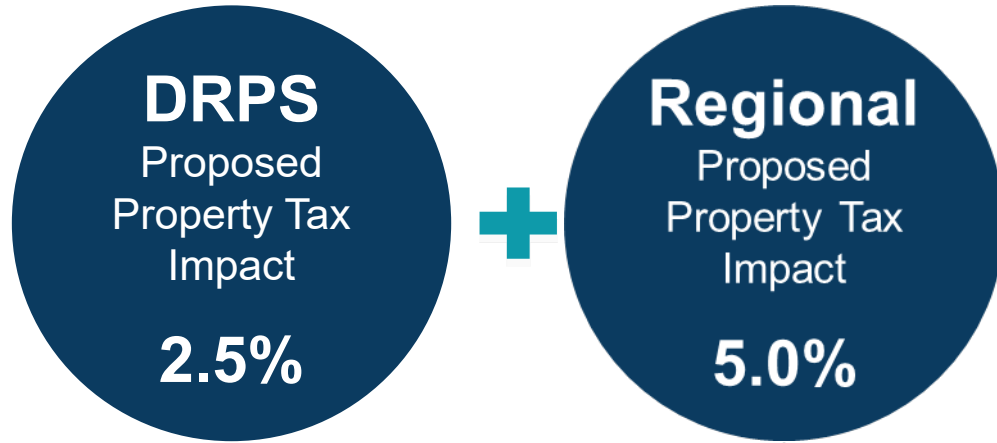
Asset Management pressures including increased investment in Rehabilitation of Regional Roads to achieve service standard

Increasing demand for programs and infrastructure to meet growth projections

Debt repayment and servicing costs

Future property tax reassessment impacts

Overview of the 2024 Budget



The average single detached home in Durham, with a current value assessment of \$483,100 will pay approximately \$277 per month, or \$3,318 annually, for Regional services, an **increase of \$19.25 monthly, or \$231 annually**

Addresses significant investment needs in core service areas including **housing and homelessness programs, transit, paramedic services, climate initiatives and police services**

Advances goals of the **Region's Strategic Plan**

Includes provision for the anticipated impacts resulting from **Bill 23, More Homes Built Faster Act, 2022**

Provides for **base pressures** including inflationary pressures, annualization impacts and initiatives approved in-year

Includes sustainable use of **reserves and reserve funds and debt**

Questions