



# 2024 Regional Business Plans and Property Tax Supported Budget Guideline

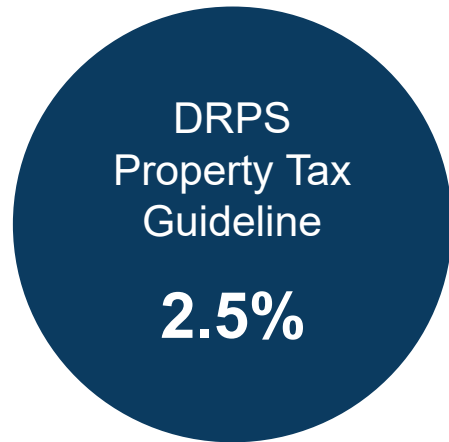
*Finance and Administration  
Committee, September 12, 2023*



# Purpose and Use of the Guideline

Establishes an **overall property tax cap** for the 2024 property tax supported business plans and budgets

Ensures **alignment** with Council’s final tax levy expectations and service level implications



The recommended guideline incorporates the sustainable use of the Region’s Reserves and Reserve Funds to fund one-time operating and capital investments.  
The Region represents approximately 52 per cent of the total tax bill so this guideline will be roughly equivalent to a 5 per cent increase in the total bill.  
The proposed guideline will result in an **annual budgetary increase of approximately \$301 for an average residential property owner in Durham Region** with an estimated 2024 current value assessment of \$483,100

**Durham Regional Police Services Board**  
8.26% increase over the 2023 approved budget  
(2.5% increase in the Regional levy)

**Regional Departments & Agencies\***  
Investments required to address service levels:

- Paramedic Services
- Durham Region Transit
- Housing and Homelessness

**Bill 23**  
*More Homes, Built Faster Act, 2022*  
(0.50% increase in the Regional levy)

**Conservation Authorities**  
2.5% operating increase &  
1.5% special benefiting program increase

\* Includes DRT, 9-1-1 Emergency Service System, Durham OneNet Inc, and DRLHC

# 2024 Budget Pressures



## Base Pressures

- Annualization of 2023 budget decisions and decisions approved in-year
- Inflationary pressures and significant capital cost escalations
- Staff and service contract cost increases
- Debt servicing costs for debt approved in 2023



## Investment in Critical Front Line Core Service Areas

- Paramedic Services 10-Year Service and Financing Strategy
- Durham Region Transit's 10-Year Service and Financing Strategy
- Works Department capacity needs
- Housing and Homelessness Strategy implementation



## Bill 23 – More Homes, Built Faster Act

- Incremental and advanced capital infrastructure investments
- Development Charge financing shortfalls (phase-in, freezing, exemptions, and discounts)
- Operating resource requirements



## 2024 Strategic Investment Pressures

- Durham Regional Police Services Board Budget priorities
- Investments to advance the implementation of the Region's Strategic Plan



## Provincial / Federal Funding Impacts

- Homelessness Supports
- Paramedic Services
- Public Health
- Social Assistance
- Childcare
- Ukrainian and Asylum Seekers Humanitarian Response in Durham
- Long-term Care
- Police



## Impacts from Legislative and Regulatory Changes

- Current or potential changes that may have fiscal impacts for the Region include:
- Community Safety and Policing Act, 2019
  - Conservation Authorities Act Regulations



# Strategic Investment: Region of Durham Paramedic Services



## Key Milestone

The 2023 – 2032 Region of Durham Paramedic Services Service and Financing Strategy report was approved by Committee and Council in February 2023 with a 10-year financial forecast that includes a:

- Staff resourcing plan
- Capital plan including new stations and increased state of good repair investments



## Objective

Implementation strategy to address response time service levels which continue to be impacted by:

- Population growth and demographic changes
- Offload delay challenges at hospitals
- Employee wellness and sustained resiliency



## Financing

- Projected 2024 gross spending increase of approximately \$11 million, including projected increase in provincial funding
- 2024 proposed guideline includes a 0.53 per cent increase dedicated for Paramedic Services
- Increased investment will be required over forecast to increase service performance and service growth



# Strategic Investment: Durham Region Transit



## Key Milestone

Durham Region Transit's Service and Financing Strategy report was approved by Committee and Council in February 2023

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## Key Priorities

The 10-year implementation strategy looks to advance the following key priorities:

- Service enhancements and growth
  - Fleet transition to zero greenhouse gas emission vehicles
  - Passenger amenities and infrastructure
  - Fare modernization
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## Financing

- 2024 proposed guideline includes a 2.0 per cent increase dedicated for Durham Region Transit
- Significant increases in senior government funding for transit will be required to fund the 10-year investment plan

# Strategic Investment: Housing and Homelessness



## Overview

At Home in Durham, the Durham Housing Plan 2014 - 2024 reflects Council's priorities around housing and homelessness focused on improving affordability and access to housing, protecting the existing affordable housing supply, encouraging housing diversity and building capacity in the housing system.

The 2023 budget included a \$16.6 million (28.3 per cent) increase in Regional funding for housing and homelessness supports. Significant additional investment by the Region, province and federal governments in 2024 and over the forecast is needed to address the complex housing and homelessness challenges facing our community.



## Recommendations

The 2024 proposed guideline provides for the following investments:

- **Beaverton Supportive Housing** – estimated annualization of net operating costs (\$2.5 million)
- **1635 Dundas** – 2024 impact is under development and will be informed by ongoing consultations, services provided and number of residents support (a preliminary provision of \$2.5 million has been provided for)
- **Outreach Workers** – 10 new outreach workers approved in-year plus up to two new outreach workers to support DRT operations (\$1.5 million)
- **Housing Redevelopment Office** – annualized impact of three new positions approved in-year (\$0.6 million)
- **Homelessness Supports** – increase base regional property tax support (minimum increase of \$0.2 million)
- **At Home Incentive Program** – additional funding to support community partners in the development of additional affordable housing
- **DRLHC Redevelopment** – consultation is underway to help inform the 2024 investment



# Durham Regional Police Service



## Overview

Durham Regional Police Services have identified a total 2024 budget pressures of \$23.11 million (9.3 per cent)

- Base Pressures - \$15.16 million (6.1 per cent)
  - Staffing Costs (4.7 per cent increase)
  - Infrastructure (1.0 per cent increase)
  - Operating and Reserve Increases (0.9 per cent increase)
  - Revenues and Recoveries (0.5 per cent decrease)
- Strategic Investments - \$7.94 million (3.21 per cent) for 76 new positions including:
  - 20 front line officers
  - 34 uniform members in Serious and Organized Crime, Patrol Support and Operational Support
  - 22 civilian positions in Serious and Organized Crimes, Operational Support and Administrative Support



## Recommendation

- A 2024 guideline of a 8.26 per cent increase on the Durham Regional Police Service Budget (2.5 per cent overall increase to the Regional property tax levy)
- This includes an increase of \$15.16 million to fund base pressures and \$5.27 million for other strategic priorities of the Durham Regional Police Services Board



# Future Pressures

Based on current modeling, the Region anticipates annual property tax increases for 2025 to 2028 to be consistently challenging.

Staff continue to pursue all opportunities for provincial and federal partnerships to offset as much capital and operating impacts as possible.

## Environmental Sustainability

- Investments to implement Corporate Climate Action Plan
- Implement the Region's Long-term Waste Management Strategy
- Conservation Authority Regulatory Changes and Implementation

## Community Vitality

- Paramedic Services 10 Year Service and Financing Strategy
- Durham Region Transit's 10 Year Service and Financing Strategy
- New Regional long-term care home in North Pickering
- Increased investment in Durham Regional Police Services

## Economic Prosperity

- Advance transit-oriented development opportunities
- Meet Bill 23 legislative requirements with resulting financing implications
- Transit Oriented Development

## Social Investment

- Implement the Region's Master Housing Strategy including DRLHC revitalization
- Two new Regional operated childcare centres

## Service Excellence

- Implement the findings from the Works Department Capacity Study
- Cyber Security
- Service Durham





# Projected Debenture Financing Requirements

The following table is based on the 2023 approved capital budget and nine-year forecast updated for existing conditions. The chart does not yet include forecasted debt requirements that are anticipated to increase as a result of Bill 23 and additional capital priorities that are anticipated to require debenture financing including:

- Housing/Homelessness Investments – DRLHC Redevelopment, 300 Ritson Road Revitalization/Redevelopment, 650 Rosland Road Redevelopment, 1635 Dundas capital improvements
- DRPS Capital Program – new headquarters, West Division (new build), Central East Division (new build), Ops Training Centre expansion, North Division expansion, NextGen
- GO East Extension Implications
- TOD/BRT

Debt servicing costs are projected to increase by \$115.1 million over the next ten years (\$43.1 million property tax fund; \$35.1 million water supply fund; \$36.9 sanitary sewer fund) based on the existing forecast.

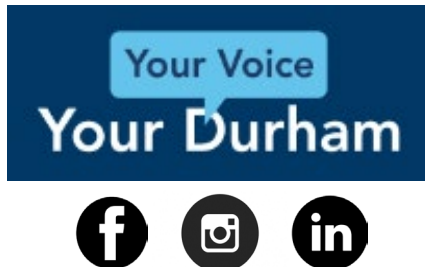
Departments/Divisions	Revised 2023	Projected Debenture Financing Requirements (\$'000's)									Total
		Forecast									
		2024	2025	2026	2027	2028	2029	2030	2031	2032	
Housing/Homelessness Supports	5,225	-	-	-	-	-	-	-	-	-	5,225
Long-term Care	130,303	-	-	-	-	-	-	-	-	-	130,303
Durham Region Transit	19,804	40,723	43,084	19,100	13,450	2,740	2,200	2,200	52,500	4,600	200,401
Paramedic Services	-	-	14,420	-	4,815	-	-	-	-	-	19,235
Region of Durham Police Services	-	-	-	11,438	3,210	-	31,298	57,777	-	-	103,723
<b>Subtotal Property Tax Fund</b>	<b>155,333</b>	<b>40,723</b>	<b>57,504</b>	<b>30,538</b>	<b>21,475</b>	<b>2,740</b>	<b>33,498</b>	<b>59,977</b>	<b>52,500</b>	<b>4,600</b>	<b>458,888</b>
<b>Water Supply Fund</b>	<b>-</b>	<b>23,652</b>	<b>60,291</b>	<b>156,739</b>	<b>78,275</b>	<b>42,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>361,311</b>
<b>Sanitary Sewer Fund</b>	<b>-</b>	<b>38,893</b>	<b>52,176</b>	<b>69,297</b>	<b>12,000</b>	<b>106,140</b>	<b>101,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>380,056</b>
<b>Total</b>	<b>155,333</b>	<b>103,268</b>	<b>169,971</b>	<b>256,574</b>	<b>111,750</b>	<b>151,234</b>	<b>135,048</b>	<b>59,977</b>	<b>52,500</b>	<b>4,600</b>	<b>1,200,255</b>

# Embedding Enhanced Public Engagement



Hosting a **Budget Town Hall** where residents can join 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
- learn more about the Region's programs and services



Utilizing a **year-round engagement plan** to support a wider understanding of the process and seek engagement throughout the process to inform budget development







Exploring **additional opportunities to engage with residents** throughout the annual Business Planning and Budget process (including sharing information on engagement opportunities through various community and stakeholder events)

Residents are encouraged to ask questions and share their ideas and priorities for the 2024 Budget online by using the [Have Your Say! Tool](#) or by emailing [budgets@durham.ca](mailto:budgets@durham.ca)



# Conclusion

The recommended guideline supports:

-  Investments in **Critical Front Line Service Areas** (paramedic, transit, works, homelessness/housing supports);
-  Meeting the challenges of **inflation** and accounting for **future growth**;
-  **Strategic Plan** priorities; and
-  Senior government **funding and legislative / regulatory landscape**

Item	Estimated 2024 Levy Impact	
	\$ (millions)	%
Durham Region Transit	16.347	2.00
Region of Durham Paramedic Services	4.332	0.53
Conservation Authorities	0.186	0.02
<i>Bill 23 – More Homes, Built Faster Act, 2022 provision</i>	4.087	0.50
Department Increases – including Housing/Homelessness (Base Pressures)	34.559	4.23
Department Increases – including Housing/Homelessness (Strategic Priorities)	17.728	2.17
Assessment Growth		(2.20)
<b>Net 2024 Property Tax Levy Impact (excluding Durham Regional Police Services Board)</b>	<b>77.239</b>	<b>7.25</b>

Item	Estimated 2024 Levy Impact	
	\$ (millions)	%
<b>Net 2024 Property Tax Levy Impact for Durham Regional Police Services Board</b>	<b>20.434</b>	<b>2.5</b>
<b>Total Net 2024 Property Levy Impact</b>	<b>97.673</b>	<b>9.75</b>
<b>Total 2024 Impact to Overall Tax Bill</b>		<b>5.00</b>

\* Amounts reflected in the above table are subject to change based on the results of the review of the Works Department, modelling of Bill 23 impacts, outcome of Greenbelt discussions, and updates from refinement and finalization of budget submissions.

# Questions?



# Thank you!

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