

The Pandemic and Beyond: Perspectives from CAOs in the GTA

Speakers:

Janice Baker, Chief Administrative Officer, Region of Peel

Elaine Baxter-Trahair, Chief Administrative Officer, Regional Municipality of Durham

Bruce Macgregor, Chief Administrative Officer, Regional Municipality of York

Moderator:

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December 6, 2022

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Land Acknowledgement

We wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional lands of the Huron-Wendat, the Seneca, and most recently, the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.

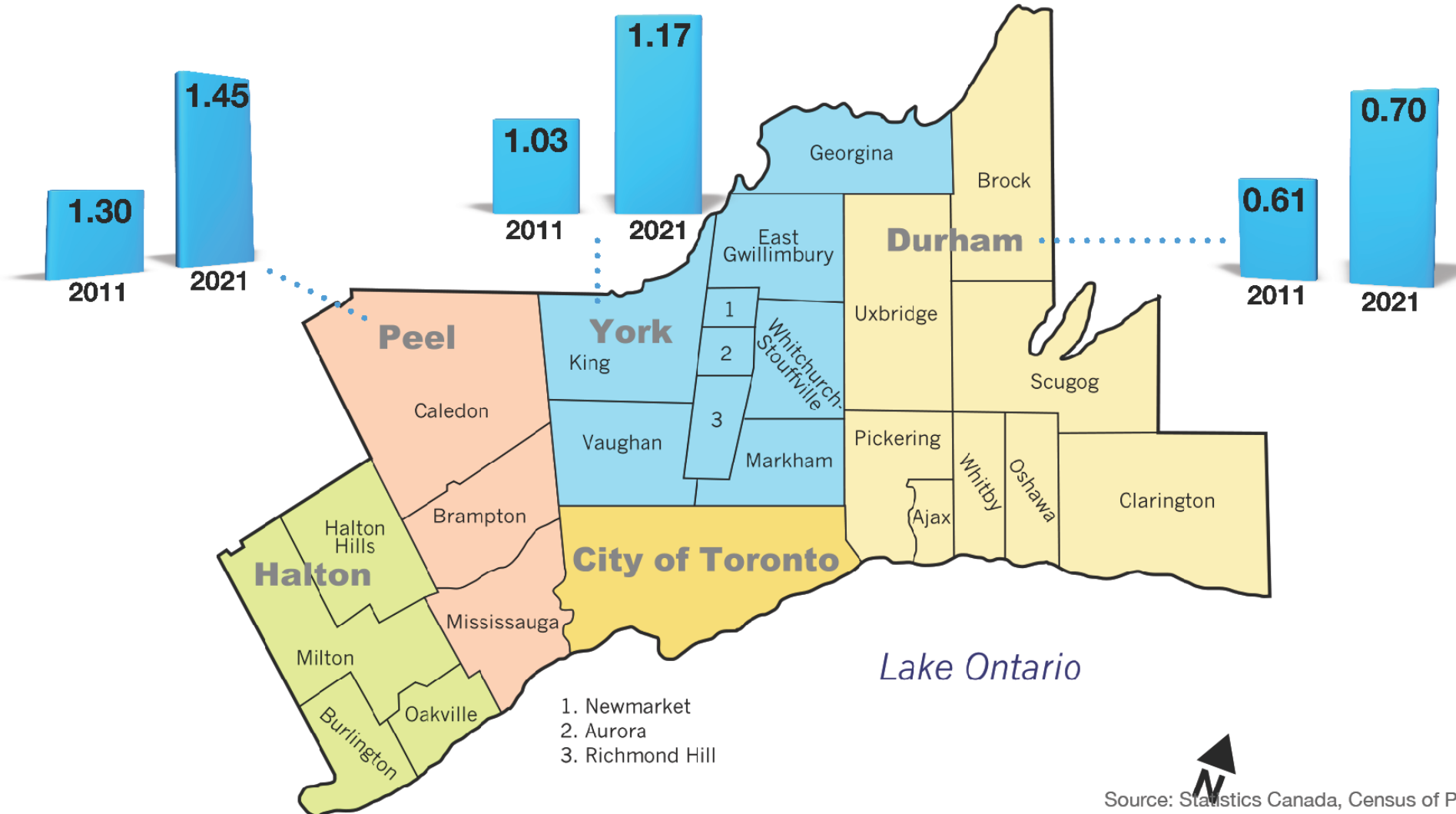
Questions?

*Use the built-in Q&A feature in Zoom
or
ask in person*



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Regional Population Changes, 2011-2021 (Millions)



Source: Statistics Canada, Census of Population

Peel Region Fiscal Outlook

December 6, 2022

Institute on Municipal Finance & Governance
University of Toronto

Janice Baker
Chief Administrative
Officer
Region of Peel

Today's Presentation

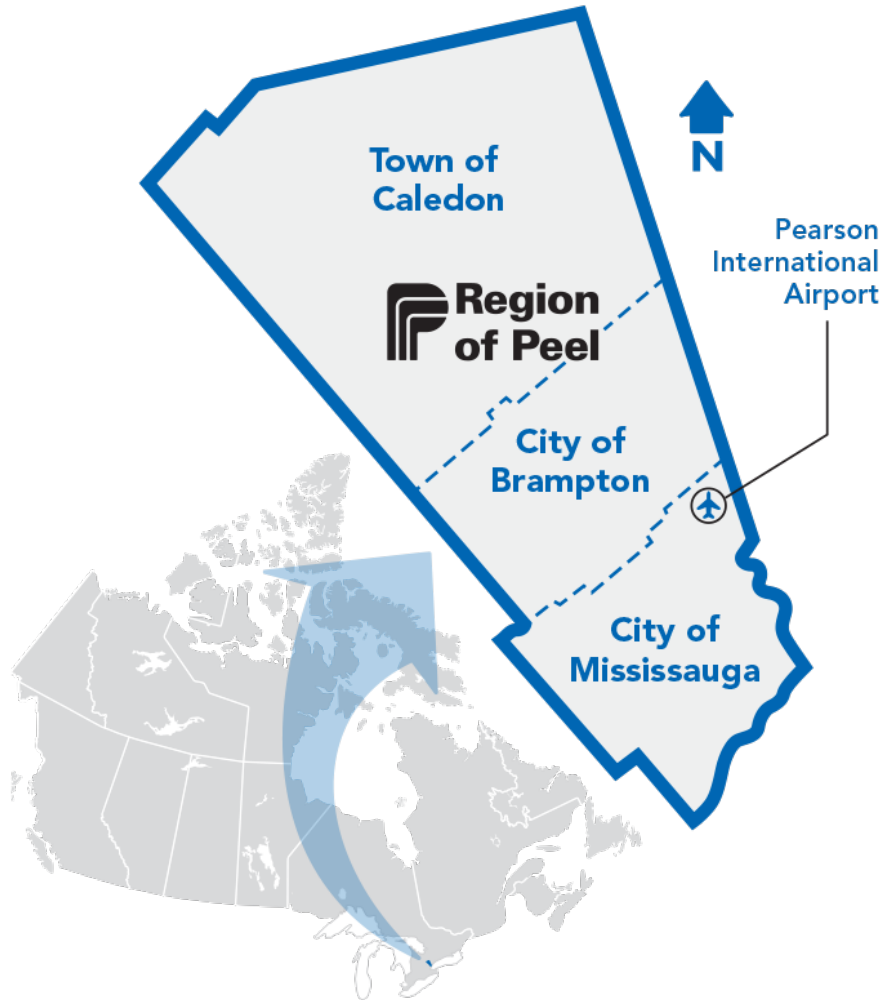
Our current and future outlook

A case study

- Municipal finances under COVID



Region of Peel – Overview



Location

- Southern Ontario
- North and northwest of Toronto
- Area: 1,247 km²

Population

- 1.5 million people
- 187,000 businesses



Peel's Financial Situation

Financially Sound

- Moody's and S & P have given Peel Region a Triple A credit rating for 27 years in a row



Sustaining \$2.7B Annual Operations

Grants & Subsidies

- Almost one-quarter of annual revenue is from the External funding i.e. Prov/Fed
- Most are for cost shared programs but don't keep up with growth and inflation

Property Tax

- Less than half of operations is funded from property tax
- Not the ideal funding source for income redistribution programs
- Low appetite for increases vs. heightened inflation

Grants and Subsidies

\$634M, **23%**

Utility Rate

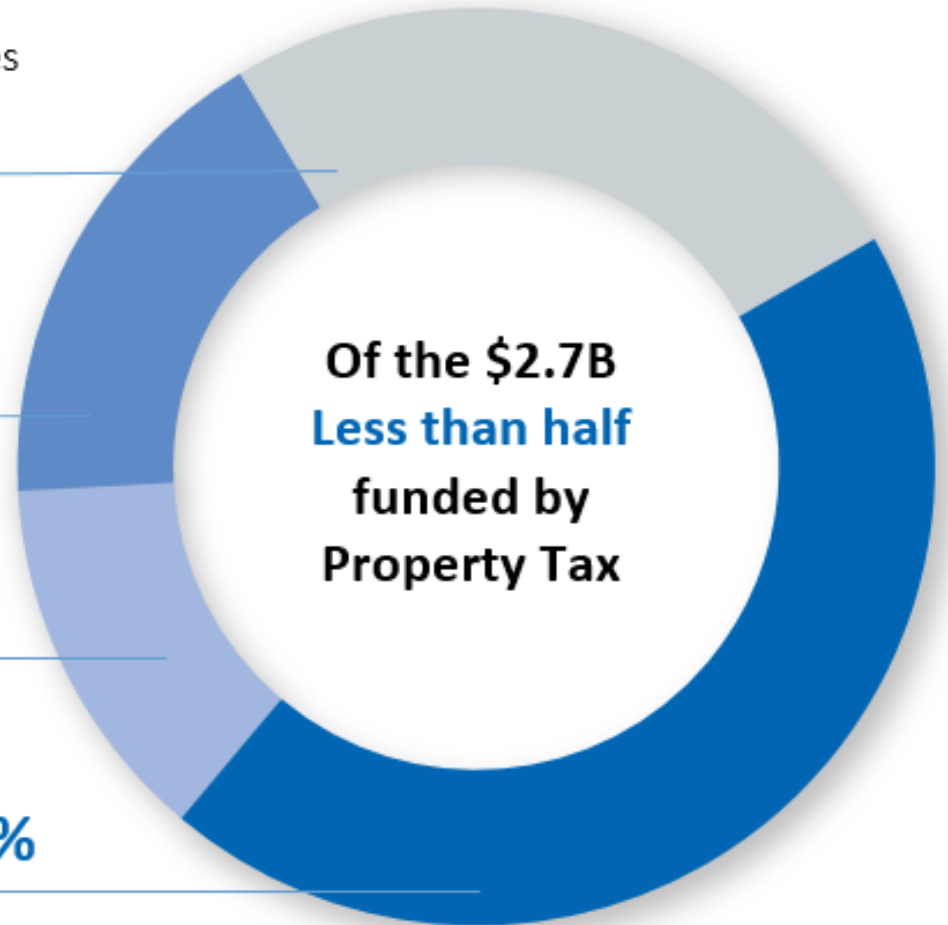
\$502M, **18%**

Other

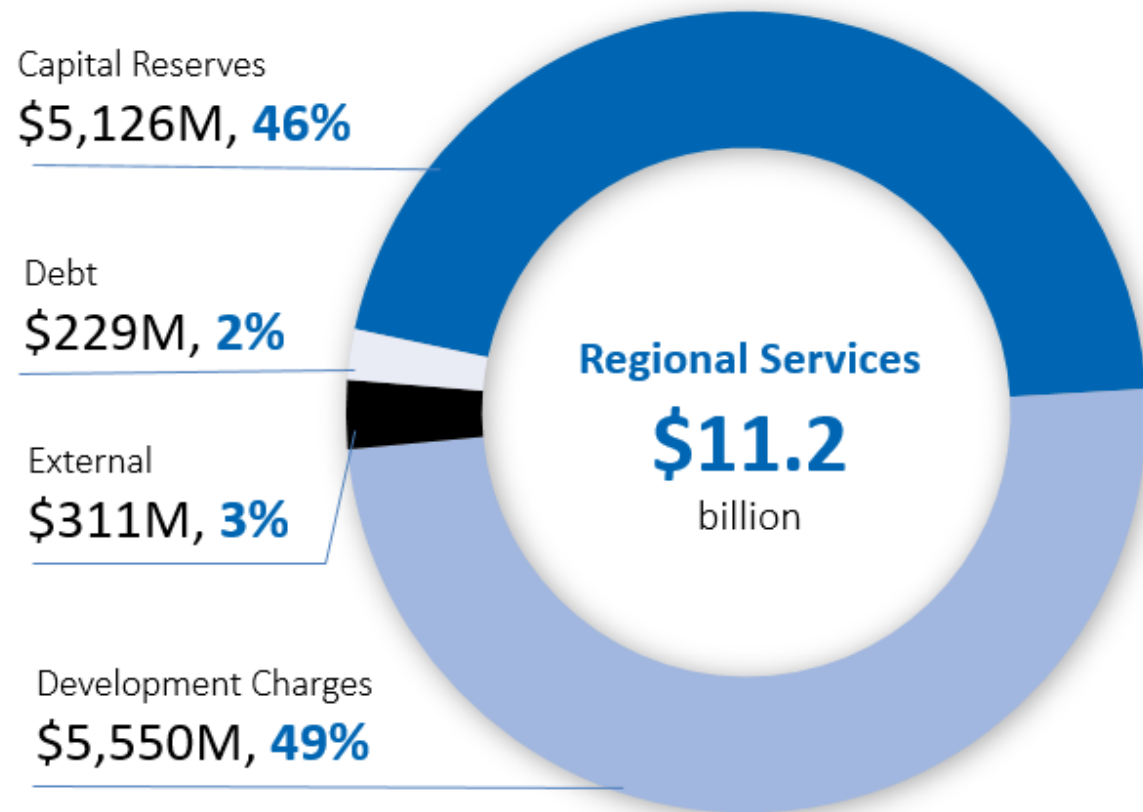
\$375M, **14%**

Property Tax

\$1,230M, **45%**



Funding the \$11B Capital Program



Development Charges

- Funds almost half of the capital plan
- Currently have \$1.2 B in debt to cash flow DC timing
- Bill 23 would have huge impact

Capital Reserves

- Adequate in the short term
- Projected shortfall of \$3.6 B between tax and utility programs over next 10 years
- Need annual infrastructure levies to maintain SOGR

Peel weathered the pandemic with its financial health intact (for the most part)



How?

- Much of the public health costs were borne by the Federal/Provincial governments
- Peel isn't responsible for a public transit system in the region
- Delivered fewer services during the lockdown

COVID-19 outcomes



- Managed over 180,000 COVID-19 cases
- Provided second doses to over 90 per cent of residents aged 12 and over
- Administered 3.3 million doses of COVID-19 vaccine to Peel residents aged 12 and over

Peel's financial future

Concerns:

- Inflation/possibility of recession
- Capital pressures (affordable housing/maintaining state of good repair/climate change)
- Uncertainty around....next slide

The Province of Ontario

Bills 23/39:

- . Increased growth targets from the Province AND less money to support growth through development charges.

Thank you

A large, stylized graphic element in shades of blue, resembling a thick, rounded letter 'F' or a similar abstract shape, positioned on the right side of the slide.



**Institute on
Municipal Finance
& Governance
University of Toronto**

**A Perspective from Durham Region
Chief Administrative Officer
Elaine Baxter-Trahair**

December 5, 2022



A Perspective from Durham Region

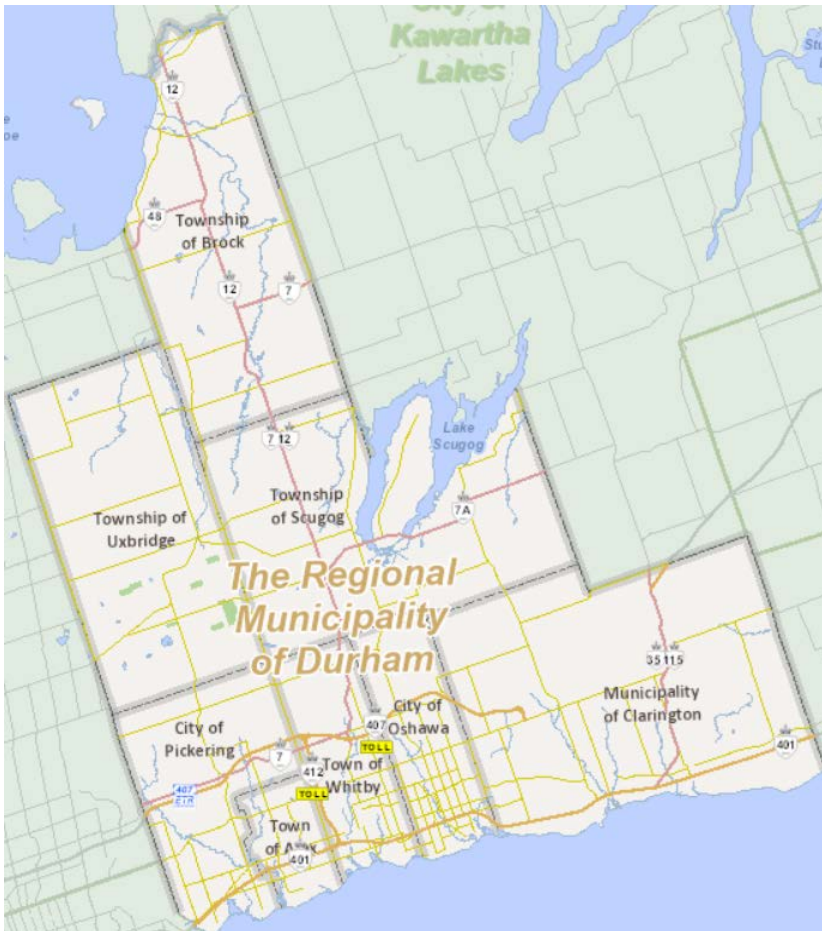
IMFG Questions:

1. Economic and Fiscal Position
2. Challenges
3. Looking Forward
4. Next Steps: Opportunities & Action
5. Conclusion



Economic & fiscal position:

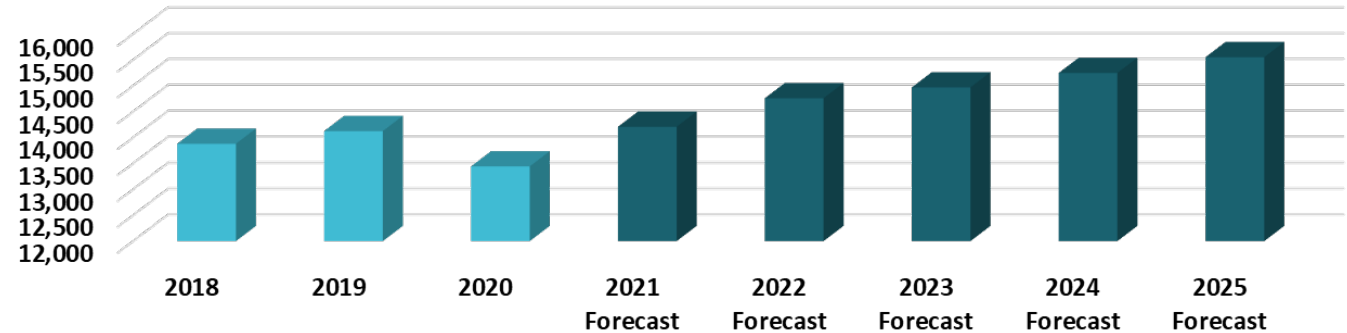
- Economic diversity & growth
- High Quality of Life
- Relatively stable revenues
- Sound fiscal management



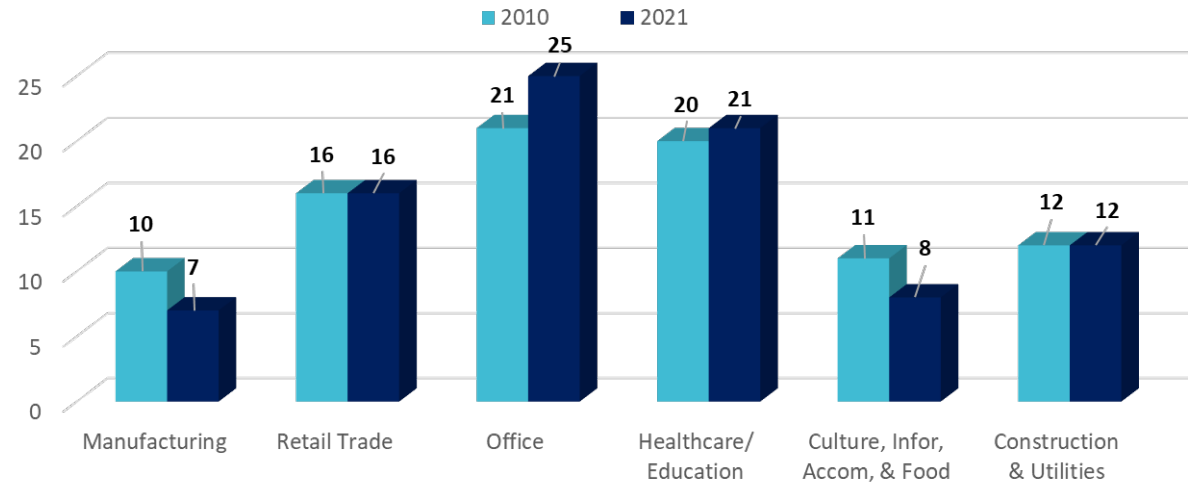
Long Term Population Forecasts				
2031	2036	2041	2046	2051
902,000	997,000	1,090,000	1,193,000	1,300,000

Source: Region of Durham Growth Management Study Land Needs Analysis (June 2021)

Oshawa CMA Real GDP Growth (\$millions)



Oshawa CMA Employment By Industry (%)



Source: Statistics Canada



Go-forward Challenges

- Pandemic Recovery
- Economic Environment
- Changing Communities & Funding Supports
- Legislative Challenges

Pandemic Recovery:

- **Mental Health & Addictions Service Demands**
 - Significant increase in community needs
 - Staff shortages
- **Public Health**
 - Uncertainty in 2023 without guidance from Ministry
 - Backlog in routine immunizations due to pandemic
- **Transit Ridership**
 - Lower ridership & lowered cost recovery ratio
- **Long-term Care**
 - Enhanced protocols continue
- **Work-from-Home Changed Labour Expectations**
 - Durham is adapting



Challenging Economic Environment

- High Inflation and Labour Challenges (costs, hiring, retention)
- Material & Labour Supply Shortages
- Increasing service and infrastructure demands
- High proportional property tax burden on the residential sector as the industrial tax base has declined — service economy



10-year Capital Needs are Significant:

Estimated Capital Expenditures (000s)	2022	2023	2024	2025	2026	2027-2031	2022 & Forecast Total
Durham Regional Police Service	6,247	5,947	10,728	15,647	38,943	142,028	219,540
Durham Region Transit	16,100	29,189	183,273	48,171	20,580	109,437	406,750
Public Works	418,853	226,569	210,761	196,494	163,865	685,187	1,901,729
Water Supply & Sanitary Sewerage	266,481	611,592	367,714	583,092	383,678	1,256,490	3,469,047
Health	4,308	5,064	2,589	3,455	2,655	16,470	34,541
Social Services	2,655	112,853	12,775	1,823	1,693	32,833	164,632
9-1-1 Emergency System	303	73	10	253	269	530	1,438
Social Housing	25,671	18,138	10,368	7,257	4,962	14,257	80,653
Durham OneNet	6,728	14,500	14,500	15,200	11,100	17,700	79,728
Other	10,120	11,435	9,558	11,923	11,138	16,041	70,215
Total Capital Expenditures	757,466	1,035,360	822,276	883,315	638,883	2,290,973	6,428,273

\$6.4 billion of infrastructure and servicing needs by 2031

Primarily public works, water and sewer services

Changing Communities & Funding Supports



Social
Investment

➤ Need to adapt services to changing & growing community needs

- Demographic changes – aging & an increasingly diverse population
- Homelessness and mental health support and outreach to increasing vulnerable populations



Environmental
Sustainability

➤ Addressing the climate emergency

- Addressing the climate emergency through corporate leadership and community mobilization
- Implementing the Low Carbon Pathway in the Durham Community Energy Plan
- Demonstrating leadership and accountability
- Community & corporate carbon reduction



➤ Immigration and settlement challenges

- Addressing the housing crisis & affordability issues
- Supports for immigrants — influx of Ukrainian newcomers



➤ Need stronger relationships with Indigenous communities

➤ Need to advance equity and accessibility programs

2022 Legislative Changes: Negative Program Delivery Impacts

➤ Strong Mayors, Building Homes, More Homes Built Faster, Bill 23

- Financial impacts & unintended consequences
 - Reduces revenue for growth-related municipal services & capital infrastructure
- Existing taxpayers will pay more
- Housing supply is restricted due to labour shortages



➤ *Property taxes are inadequate funding sources for broadening social & redistribution programs — additional senior government funding or new revenue sources are needed*

➤ *Need to address strategic priorities while ensuring long-term financial sustainability*

Looking Forward: Strategic Priorities



Environmental Sustainability

- Corporate Climate Action Plan – carbon reduction
- Collaborative governance for community climate action



Community Vitality

- Paramedic Services Master Plan
- Enhanced supports for residents in long-term care
- Diversity, Equity and Inclusion program
- Durham Vision Zero to improve community safety



Economic Prosperity

- Economic Development Strategy
- “Ready Set Future – A PLACE Blueprint for Durham”
DRT service recovery and enhancements



Social Investment

- Advance At Home in Durham Housing Plan
- Support to the homeless or those at risk of homelessness
- Immigrant Settlement



Service Excellence

- Continue implementation of myDurham311 project



Next Steps: Opportunities & Action

**Proactive,
Bold &
Transformational
Change**

Five-year Economic Development & Tourism Strategy

- Aspirations for long-term prosperity:
People, Location, Acceleration, Creativity and Enablers (PLACE)
- Collaborating to prioritize servicing employment lands
- Connecting underserved communities with high-speed broadband
- Attracting new investment
- Future energy, next gen mobility, arts/culture/creative, digital technology & agri-food

Indigenous Engagement Protocol (Rights Holders: Williams Treaties First Nations)

- Stronger relationships between Indigenous & non-Indigenous people
- Engagement principles:
 - Understanding the Duty to Consult - creating a culture of desire to engage
 - Truth & Reconciliation beyond the basics
 - Defining priorities and fulfilling Indigenous rights, titles and treaties
 - Indigenous policy, ceremony, & expectations



Next Steps: Opportunities & Action

Proactive,
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Change

Master Housing Strategy

- “At Home in Durham, the Durham Housing Plan 2014-2024”
- Commits to **1,000 new affordable housing units by 2024**
 - Revitalize **Durham Regional Local Housing Corporation** portfolio
 - Review **public surplus lands**
 - New **partnerships & incentives** for affordable, community, supportive and transitional housing
 - Support preservation/modernization of **community housing**
 - Review/modernize homelessness system
 - Reduce **chronic homelessness to zero**

2022 Transportation Tomorrow Survey

- Travel trends to inform future planning
- Help us understand post-pandemic travel trends
- What transit recovery will look like



Next Steps: Opportunities & Action

**Proactive,
Bold &
Transformational
Change**

Community Safety & Well-being Plan

- Municipal Working Group — integrated approach to address local priorities
- Funded Mental Health Support Unit — partnership with Lakeridge Health
- Funding Inter-departmental Primary Care Outreach Program
- Established Downtown Oshawa Senior Leadership Taskforce with Lakeridge Health & the City of Oshawa

Immigration Settlement & the Ukrainian Humanitarian Response Project

- Supporting immigrants to reduce housing/homelessness risks
- GTHA-coordinated emergency response
- Agreement with Community Development Council of Durham to provide wrap-around supports
- Housing support for 100 Ukrainians (34 families).
- \$2 million of dedicated Regional funding

Conclusions

Financial Sustainability Challenges

- Property taxes are a limited revenue source for expanding social redistribution & support programs
- Large investments are required
- Development charges are crucial to fund new growth infrastructure & new legislation reduces funding
- Could delay key infrastructure or strategic initiatives to address community support programs & growth servicing needs

Addressing Challenges :

- Identify long-term capital & operating requirements & risk (long-term financial planning)
- Seek partnerships and cooperation & find efficiencies
- Strategic vision to focus efforts and build partnerships, innovate and act
- Coordinate effective asset & risk management programs to achieve best practice / compliance
- Seek new sustainable funding sources





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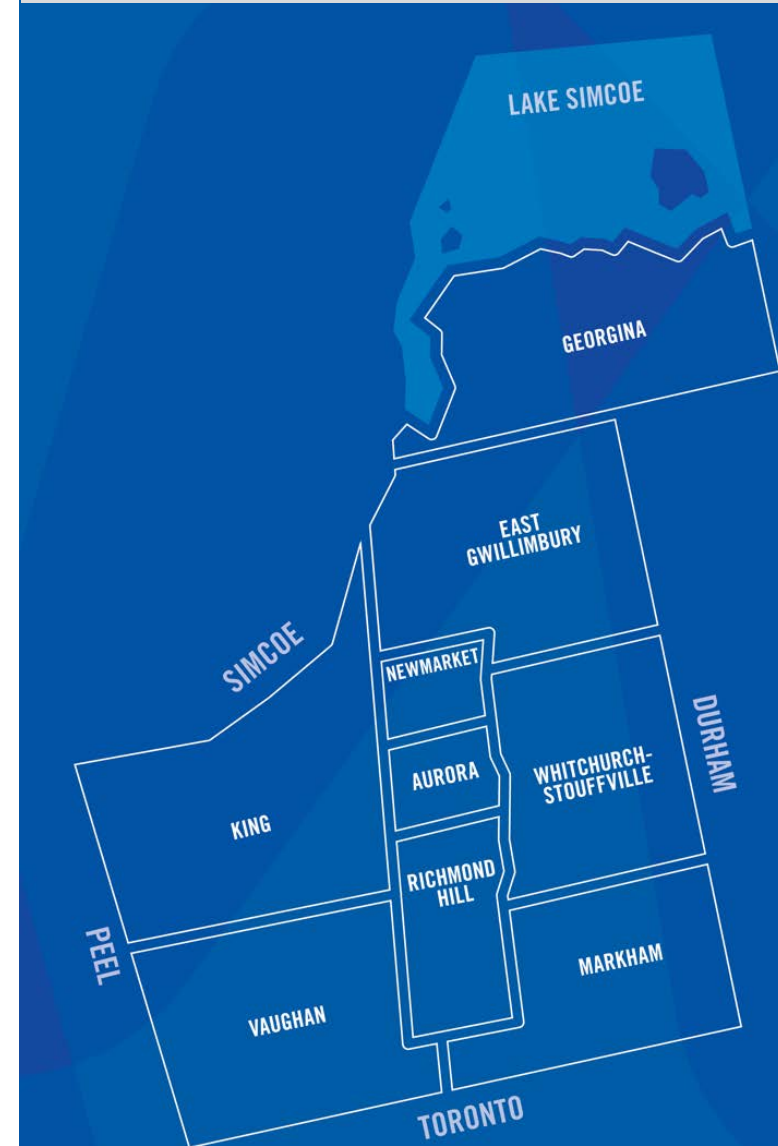
\$3.7 billion total

- \$2.7 billion operating costs
- \$980 million capital costs

Almost 1.2 million residents call York Region home, making it one of the largest municipalities in Canada. Our geography – which is comprised of about 1,800 square kilometres over nine different municipalities – is as beautiful, interesting and diverse as our people.

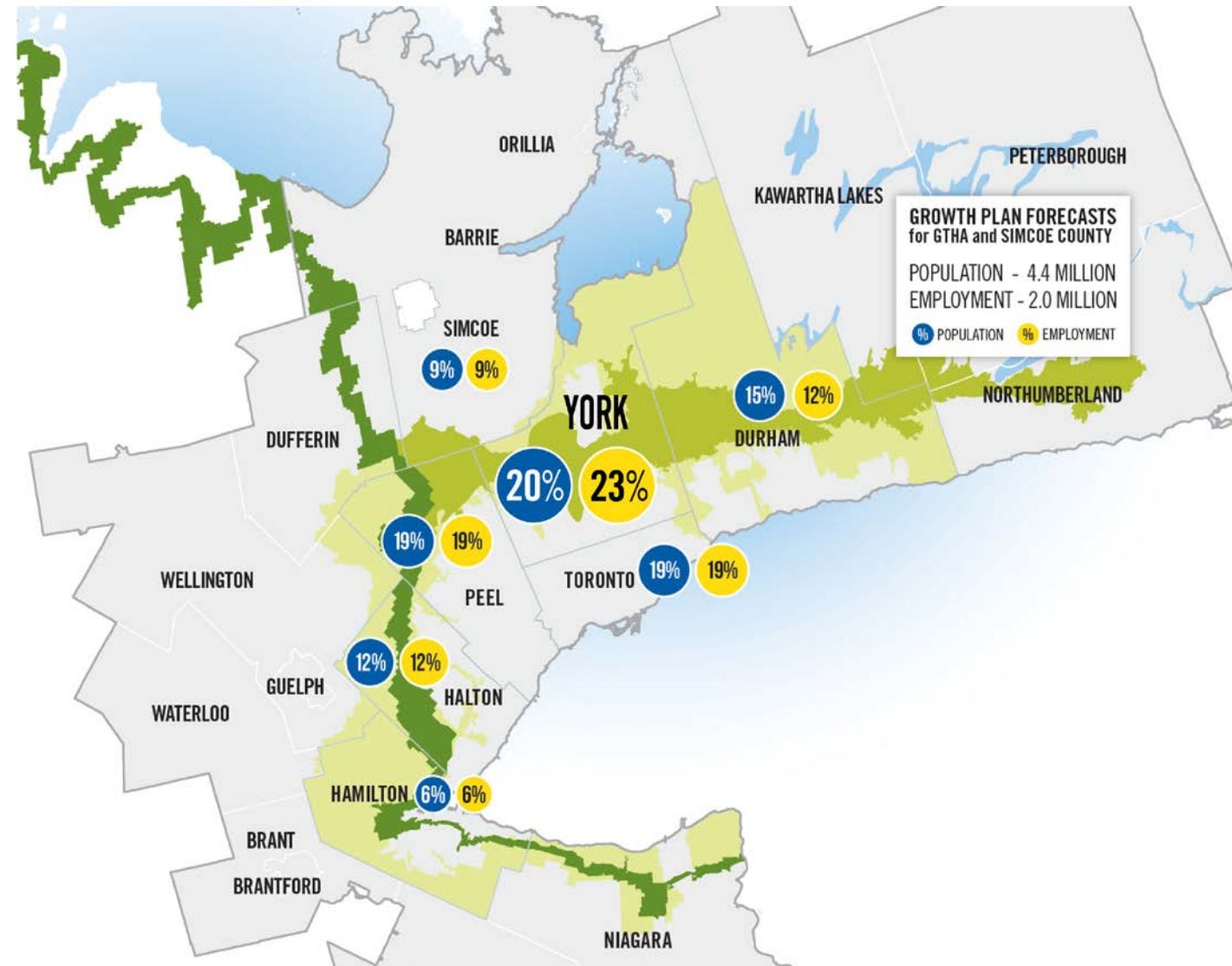
15 CORE SERVICES

Legislated services provided directly to the public to help maintain a high quality of life for York Region residents.

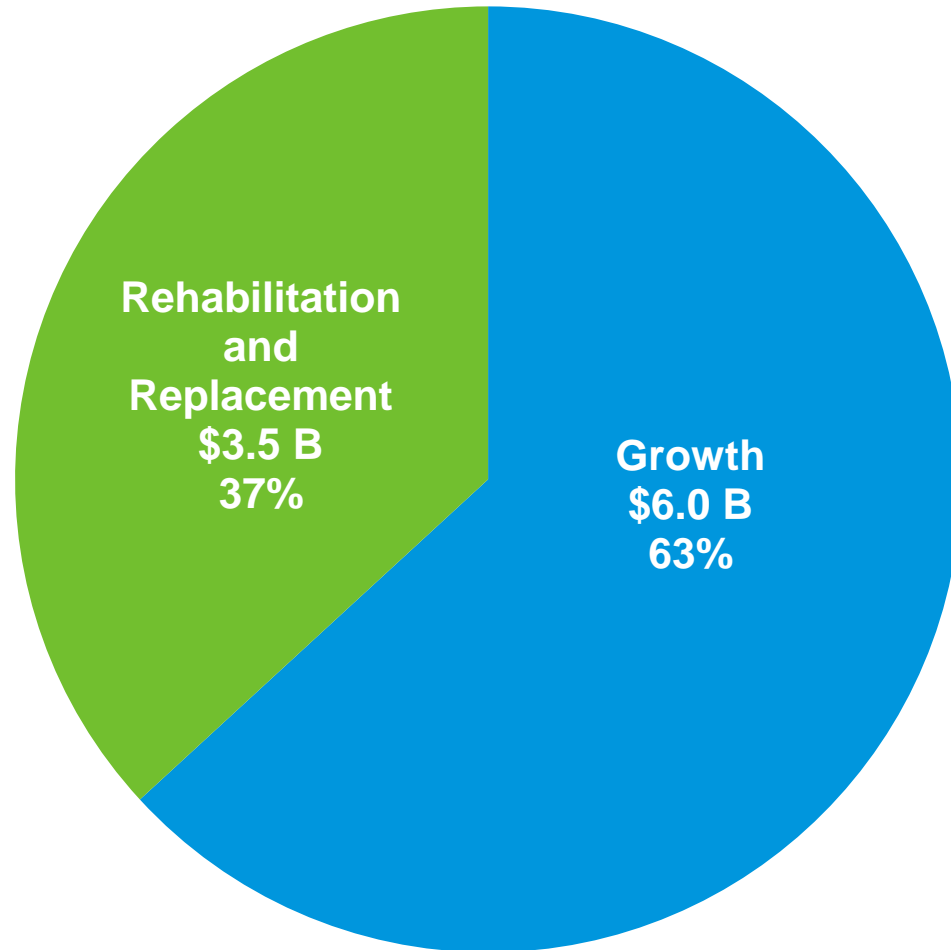


York Region is expected to accommodate the largest proportion of growth in the Greater Golden Horseshoe (GGH)

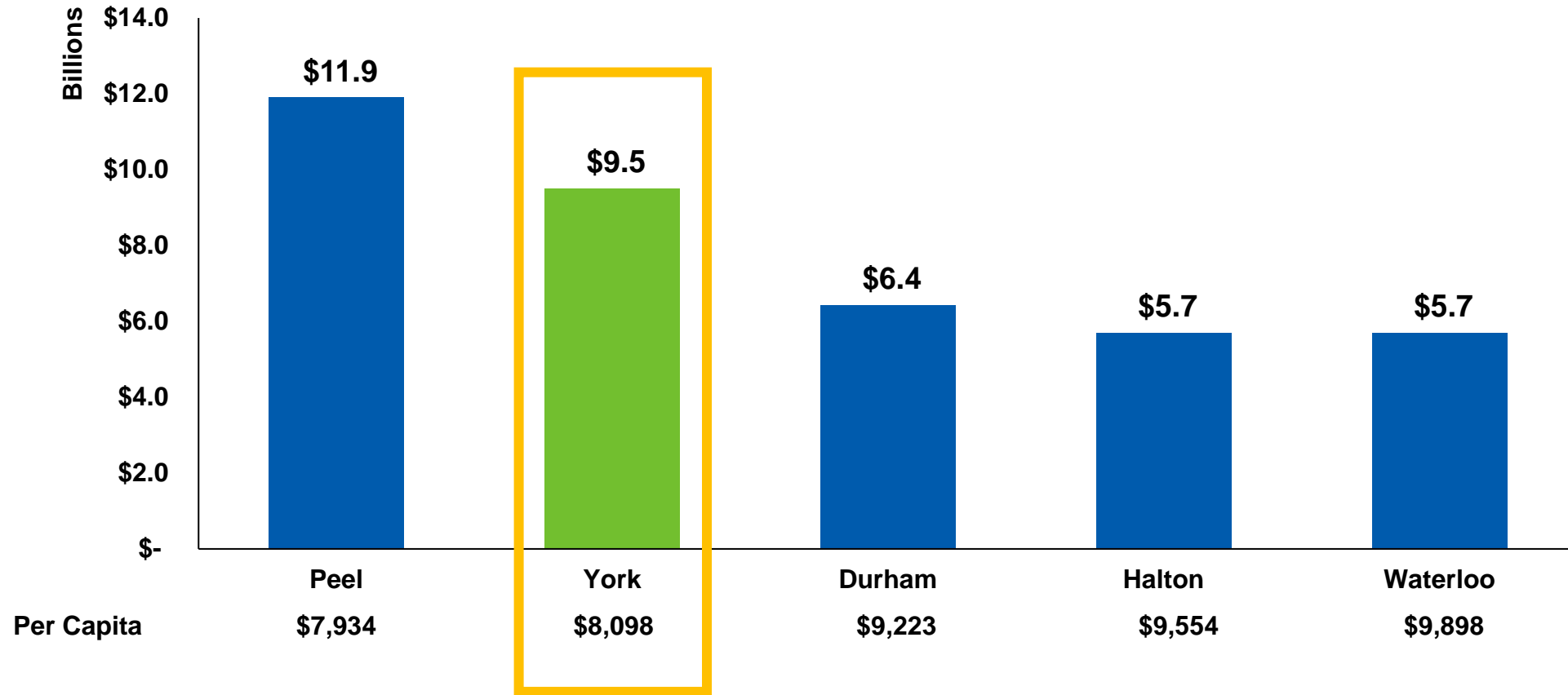
(Growth Plan Act, 2006)



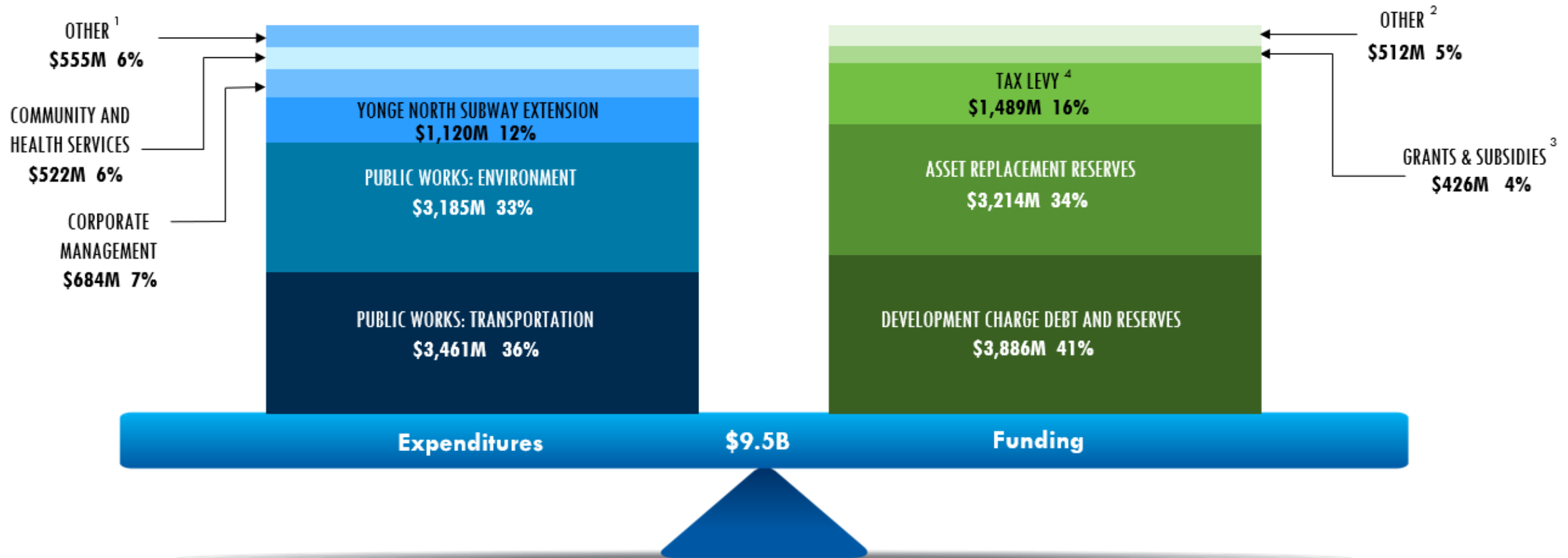
2022 10-Year Capital Plan \$9.5 Billion



2022-2031 Capital Plans by Region



Source: Population is based on 2021 Census



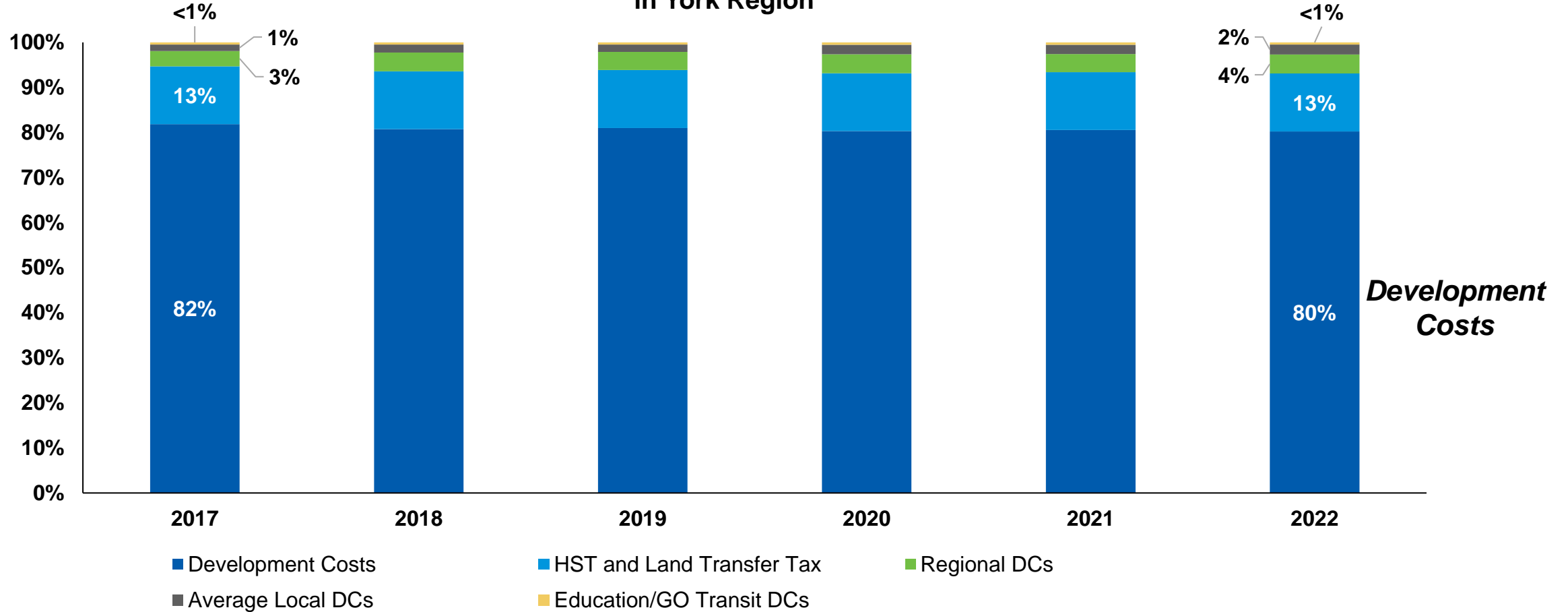
¹ Other (expenditures) includes York Regional Police, YorkNet, YRRTC, Court Services & Financial Initiatives

² Other (funding) includes Other Recoveries and Housing York Inc. debt

³ Grants & Subsidies include Canada Community-Building Fund (CCBF)

⁴ Tax Levy includes Program Specific Reserves, Debt Reduction Reserve and General Capital Reserve

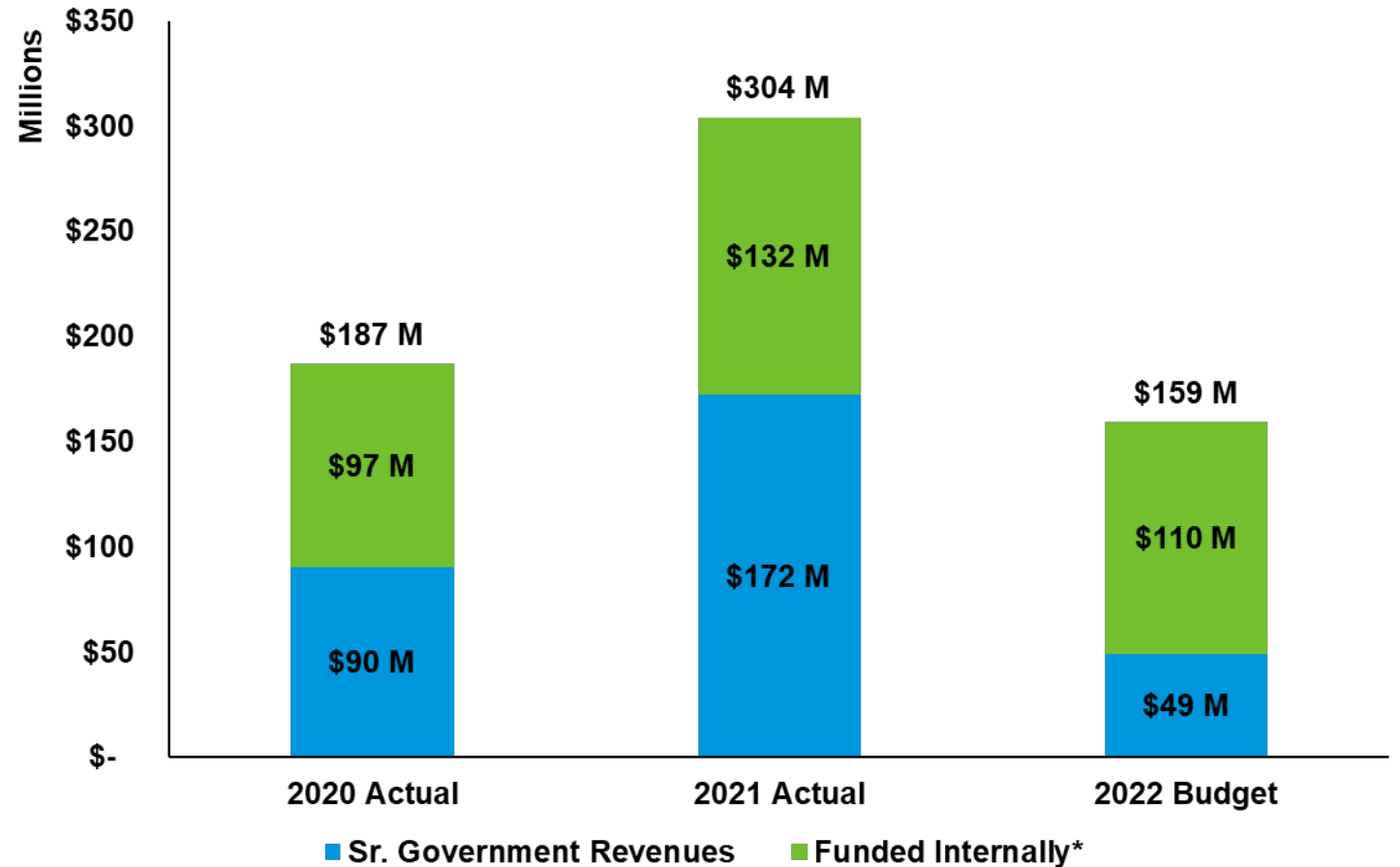
Fees as a Share of the Average Cost of a New Single or Semi-Detached Home in York Region



Source: York Region Finance and Canadian Mortgage and Housing Corporation

- Transit
- Public Health
- Temporary shelter services

Financial Impact of COVID-19



* Includes approved tax levy budget



COVID-19 VACCINATIONS YORK REGION

INDIGENOUS RESIDENTS (18 YEARS
OF AGE AND OLDER)

BOOK YOUR APPOINTMENT TODAY

- Local Municipalities
- Indigenous Communities and Organizations
- Ontario Health Teams
- Chief Medical Officer of Health
- Council of Medical Officers of Health
- Primary Care Providers
- York Region COVID-19 Vaccine Task Force
- York Region Hospitals
- York Region Pharmacies
- York Region Paramedic and Senior Services
- York Regional Police
- York Region Transit and Metrolinx
- York Region Access York
- Community Partners including Canada's Wonderland



Questions?

*Use the built-in Q&A feature in Zoom
or
ask in person*



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