

York passes budget with 2.97% tax hike

By Mark Pavilons

York Regional Council approved its \$2.7 billion 2015 budget, which includes a game plan to pay down the debt and aim to ever-increasing tax hikes for the remainder of the term.

The budget includes \$826 million in funding for capital projects and \$1.9 billion to deliver high quality services to the Region's residents and businesses.

The 2015 budget carries a 2.97 per cent tax increase, representing an additional \$64 for an average residential property in York Region.

Locally, both King Township's and York's budgets each increased by 2.97%. Assuming that the education tax rate remains unchanged for 2015, the blended impact of tax rate supported budgetary requirements will result in an overall increase of 2.33% for 2015. For a home assessed at \$614,000 (average assessment in the Township of King) this will add approximately \$135 to the total 2015 property tax bill.

King Mayor Steve Pellegrini said this budget concentrates on paying down York's debt. While it may take a few years, York will soon have more resources than debt. That comes as very good news and will help restore the Region's AAA credit rating.

"Taxes have to be reasonable," Pellegrini said, adding residents have to feel comfortable that they're getting value for their tax dollars.

"There has to be an efficient use of every dollar," Pellegrini said. "We have to be respectful of the hard-working residents of York Region."

The York budget also includes an outlook for each of the remaining three years of council's term. The outlooks propose decreasing tax hikes of 2.85 per cent in 2016, 2.69 per cent in 2017 and 2.35 per cent in 2018.

Responding to concerns regarding traffic congestion, the budget will invest more in transportation during the term of this council than during any previous term. Over the next five years, York Region will invest \$809 million in roads. With federal and provincial partners, the Region will also invest \$1.9 billion in transit.

Some of the budget highlights include:

- Adding 33 police officers and 13 civilian staff.

- Hiring 20 additional paramedics to service high-call volume areas and 23 paramedics converted from casual to permanent.

- Opening of the state-of-the-art transit operations, maintenance and storage facility.

The 2015 Operating Budget includes \$520 million for Environmental Services; \$442 million for Community and Health Services; \$316 million for York Regional Police; \$311 million for Transportation Services.

The 2015 Capital Budget includes \$223 million for wastewater; \$155 million for York Region Rapid Transit Corporation; \$134 million for Regional roads and \$123 million for water.

As part of York's \$2.7 billion 2015 budget, council also adopted an enhanced fiscal strategy.

The fiscal strategy is an integrated approach that reduces debt, saves for the future and manages the capital plan.

To reduce debt, the fiscal strategy better aligns the timing of infrastructure investments to when they are needed, reducing the need to issue new debt. This approach will reduce the need for new debt by \$1.3 billion over the next 10 years.

To save for the future, York Region is contributing more to reserves that will pay for the future rehabilitation, replacement or addition of assets.

This year council allocated \$75 million to asset replacement reserves. York Region's total reserves are now at \$1.7 billion. Reserves are expected to grow by \$2.5 billion in 10 years.

Approximately 85 per cent of York Region's debt was acquired to invest in the infrastructure needed to support growth and will be repaid by development charges.

Development Charges are paid by developers to the Region for the essential infrastructure, including water supply, sewers and sewage treatment facilities, roads, bridges and public transit that must be in place before homes can be built.

In 2013, York Region created a new debt reduction reserve to be used to pay for infrastructure that does not meet the needs of growth and cannot be funded by development charges. This reserve effectively eliminates the need to issue new tax-supported debt in the future.

To take action now to pay down debt, York Region will pay back \$173 million in principal in 2015. The fiscal strategy helps the Region to maintain its superior credit ratings, allowing the Region and the nine area municipalities to finance debt at the lowest possible cost.