



# 2019 COMMUNITY REPORT HIGHLIGHTS

## COMMUNITY REPORT

For the year ended December 31, 2019  
The Regional Municipality of York  
Ontario, Canada

[york.ca](http://york.ca)



**York Region**

## OUR VISION

Strong, Caring, Safe Communities

## OUR MISSION

Working together to serve our thriving communities – today and tomorrow

## OUR VALUES

Integrity

Commitment

Accountability

Respect

Excellence



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Chairman & CEO  
Wayne Emmerson



Mayor  
Tom Mrakas  
Town of Aurora



Mayor  
Virginia Hackson  
Town of East Gwillimbury



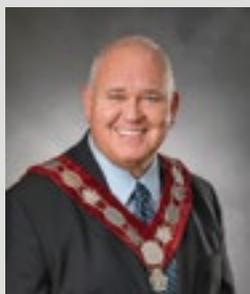
Mayor  
Margaret Quirk  
Town of Georgina



Regional Councillor  
Robert Grossi  
Town of Georgina



Mayor  
Steve Pellegrini  
Township of King



Mayor  
Frank Scarpitti  
City of Markham



Regional Councillor  
Don Hamilton  
City of Markham



Regional Councillor  
Jack Heath  
City of Markham



Regional Councillor  
Joe Li  
City of Markham



Regional Councillor  
Jim Jones  
City of Markham



Mayor  
John Taylor  
Town of Newmarket



Regional Councillor  
Tom Vegh  
Town of Newmarket



Mayor  
David Barrow  
City of Richmond Hill



Regional Councillor  
Joe DiPaola  
City of Richmond Hill



Regional Councillor  
Carmine Perrelli  
City of Richmond Hill



Mayor  
Maurizio Bevilacqua  
City of Vaughan



Regional Councillor  
Mario Ferri  
City of Vaughan



Regional Councillor  
Gino Rosati  
City of Vaughan



Regional Councillor  
Linda Jackson  
City of Vaughan



Mayor  
Iain Lovatt  
Town of Whitchurch-Stouffville

## REGIONAL COUNCIL

One of six regional governments in Ontario, The Regional Municipality of York (York Region) is an upper-tier municipal government that provides common programs and services to residents and businesses in nine cities and towns. The area municipalities are represented by Mayors and Regional Councillors on Regional Council.

### York Region Chairman and Chief Executive Officer

The York Region Chairman and Chief Executive Officer (CEO) is the head of Council. The Chairman and CEO is elected by the members of Regional Council at the first meeting of each term and serves a four-year term.

The 21-member Council sets policies, direction and budgets for York Region through Committee of the Whole and Council meetings that include the following reports:

- Audit
- Community and Health Services
- Environmental Services
- Finance and Administration
- Planning and Economic Development
- Transportation Services

During Committee of the Whole, Council members receive public input, review policies, consider staff reports and have discussions prior to making recommendations to be considered at Regional Council meetings.

The following boards and corporations oversee and operate with varying degrees of Council oversight:

- York Region Rapid Transit Corporation
- York Regional Police Services Board
- Housing York Inc.
- YorkNet

### Chief Administrative Officer

The Chief Administrative Officer (CAO) leads a team of senior executives and general managers of the Region's boards and corporations. Together, this team oversees the day-to-day operations of The Regional Municipality of York:

- Commissioner of Community and Health Services
- Commissioner of Finance and Regional Treasurer
- Commissioner of Corporate Services
- Commissioner of Environmental Services
- Commissioner of Transportation Services
- Regional Solicitor
- Medical Officer of Health
- Chief Planner
- President York Region Rapid Transit Corporation
- Executive Director of Strategies and Initiatives
- Executive Director of Human Resources
- General Manager York Telecom Network
- General Manager Housing

## YORK REGION ORGANIZATIONAL STRUCTURE





Wayne Emmerson  
Chairman and CEO

## A MESSAGE FROM THE YORK REGION CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The 2019 Community Report highlights the combined efforts of York Regional Council, York Region staff and community partners, shining a spotlight on our collaborative efforts

to make our communities strong, caring and safe places to live, work, play and visit.

This year also marks the first in our four-year Corporate Strategic Plan. The accomplishments over the past year lay the foundation for the kind of communities future generations will want to call home.

Last year, York Regional Council approved a \$3.2 billion budget, which included \$867 million for new infrastructure and \$2.3 billion to support core Regional services. In 2019, capital spending included an investment of more than \$450 million in our Regional transportation network. Regional Council also approved a 1% tax levy to create a Roads Capital Acceleration Reserve dedicated to accelerating construction on numerous road projects identified in the Capital Plan.

In the same year, the Ontario government committed significant funding to move the construction of the Yonge Subway Extension forward. As Regional Council's top transportation priority, this critical rapid-transit link will unlock new travel choices for all commuters, connect workers to high-value jobs and drive prosperity at national, provincial and regional levels.

In addition to moving a number of critical infrastructure projects forward, the past year also created a level of uncertainty for The Regional Municipality of York. In early 2019 the provincial government announced a review of regional governments to ensure they continue

to work efficiently to provide vital services to our communities. Throughout the year, Regional Council provided significant feedback to the province, standing firm in support of the status quo.

Through the 2019 Ontario Budget, the provincial government also announced its intention to modernize the way public health units are organized, proposing the amalgamation of the 35 provincial public health units into 10 new health entities. In response, Regional Council, in its role as Board of Health, has advocated to have the public health unit remain within the geographical boundaries of York Region and its current reporting structure remain intact.

At the same time, York Region Public Health officials turned their attention to better understanding health concerns of a new infectious disease in Wuhan, China and the potential impacts on York Region. Through these initial steps, York Region's public health unit was prepared for the emergence of a world-wide pandemic in early 2020 and further demonstrated the important role public health plays in protecting and improving the health of York Region residents.

Strengthening regional government and the services we provide to more than 1.2 million residents remains a priority. We remain committed to working with partners at all levels of government to further optimize service delivery and reduce costs while at the same time ensuring we continue to build thriving communities for residents, businesses and visitors.

On behalf of York Regional Council, thank you for your on-going passion and commitment to making York Region the best place to live, work, play and visit.

Wayne Emmerson  
Chairman and CEO  
The Regional Municipality of York



Bruce Macgregor  
CAO

## A MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

On behalf of York Region's Senior Management Team and the 4,500 committed staff who work diligently to deliver our core services across York Region, I am pleased to share The Regional Municipality of York's 2019 Community Report.

This report combines our Year One reporting for the *2019 to 2023 Strategic Plan* and budget. The four-year cycle for planning and budgeting coincides with the four-year term of Regional Council. It also allows us to align the goals of the Region's long-term outlook, *Vision 2051*.

The priority areas outlined in the *2019-2023 Strategic Plan* are the foundation of this report and have been used to organize and highlight achievements in four community result areas:

- Increase Economic Prosperity
- Support Community Health, Safety and Well-being
- Build Sustainable Communities and Protect the Environment
- Deliver Trusted and Efficient Services

I am proud to report 77% of the plan's key performance measures are trending in the desired direction. The complete list of all 31 performance measures is available on page 9.

The Treasurer's Report and Financial Statements found in the second portion of this report assure accountability in achieving our highlighted priorities.

Over the course of the 2019 fiscal year, York Region increased its financial assets, paid down debt and had an annual surplus of \$689.2 million which is furthered discussed in the Treasurer's Report on page 32.

The programs and services featured represent the dedication and commitment of York Regional Council, staff, municipal counterparts, stakeholders and partners in maintaining the quality of life we are most proud of in York Region. We will continue to seek out opportunities to drive innovation and place our residents and business owners at the forefront of all decisions.

A handwritten signature in black ink, appearing to read 'Bruce Macgregor', with a long horizontal stroke extending to the right.

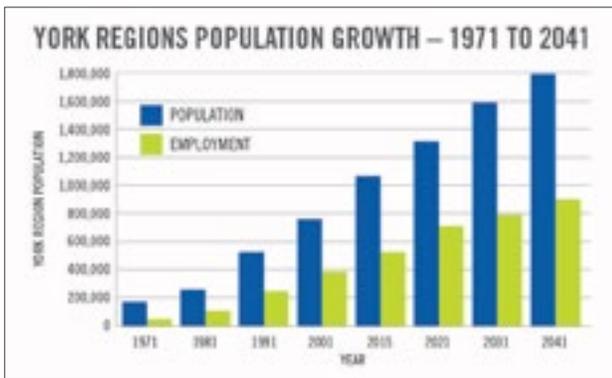
Bruce Macgregor  
Chief Administrative Officer  
The Regional Municipality of York

# YORK REGION. WHO ARE WE?

## We are growing

During 2019, York Region grew by approximately 11,100 people, accounting for 8.5% of the Greater Toronto and Hamilton Area (GTHA) growth.

The Provincial Growth Plan calls for York Region’s population to grow from 1.2 million in 2019 to 1.8 million in 2041 and employment growth from 654,650 in 2019 to 900,000 in 2041.



## We are educated

Seventy per cent of York Region’s residents have a post-secondary education. York Region ranks as the most educated population among Canada’s large municipalities.

## We work hard

York Region is home to 54,000 businesses and more than 650,000 jobs. It is the third largest business centre in Ontario and the destination of choice for more than 4,300 Information, Communication and Technology (ICT) businesses. This makes the Region the second largest ICT cluster in Canada. According to 2016 census data, the average household income is \$95,776, ranking York Region the second highest among all Ontario municipalities.

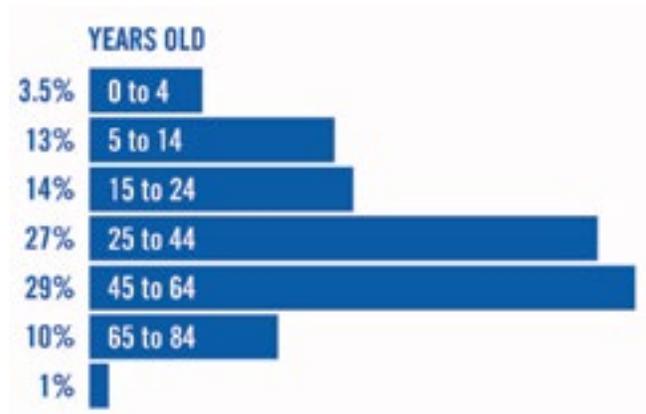
## We are fiscally responsible

The 2019 York Region budget of \$3.2 billion included \$2.3 billion to maintain and operate York Region services and \$867 million in capital project funding. 2019 was the first year in the four-year budget and aligns with the current term of York Regional Council and the *2019 to 2023 Strategic Plan: From Vision to Results*.

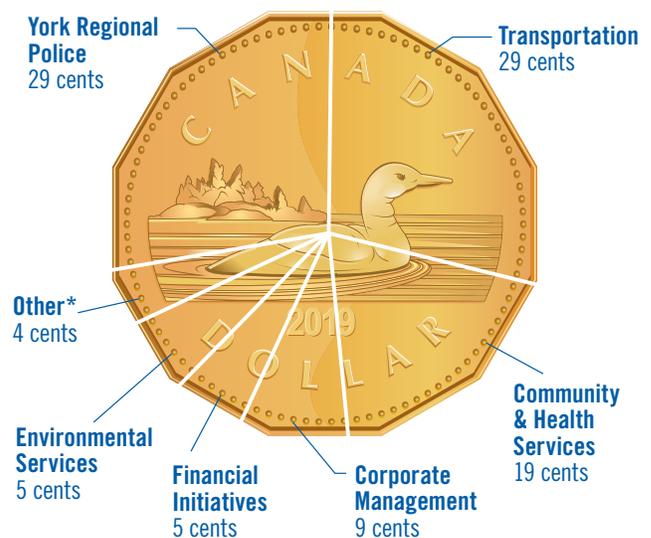
## We are diverse

If York Region were a village of 100 people:

- 52** villagers would be born in Canada
- 1** villager would be a non-permanent resident
- 47** villagers would be born outside of Canada, of these:
  - 30** would be born in Asia
  - 11** would be born in Europe
  - 4** would be born in the Americas (including North, South and Central)
  - 2** would be born in Africa



## TAX LEVY FUNDING

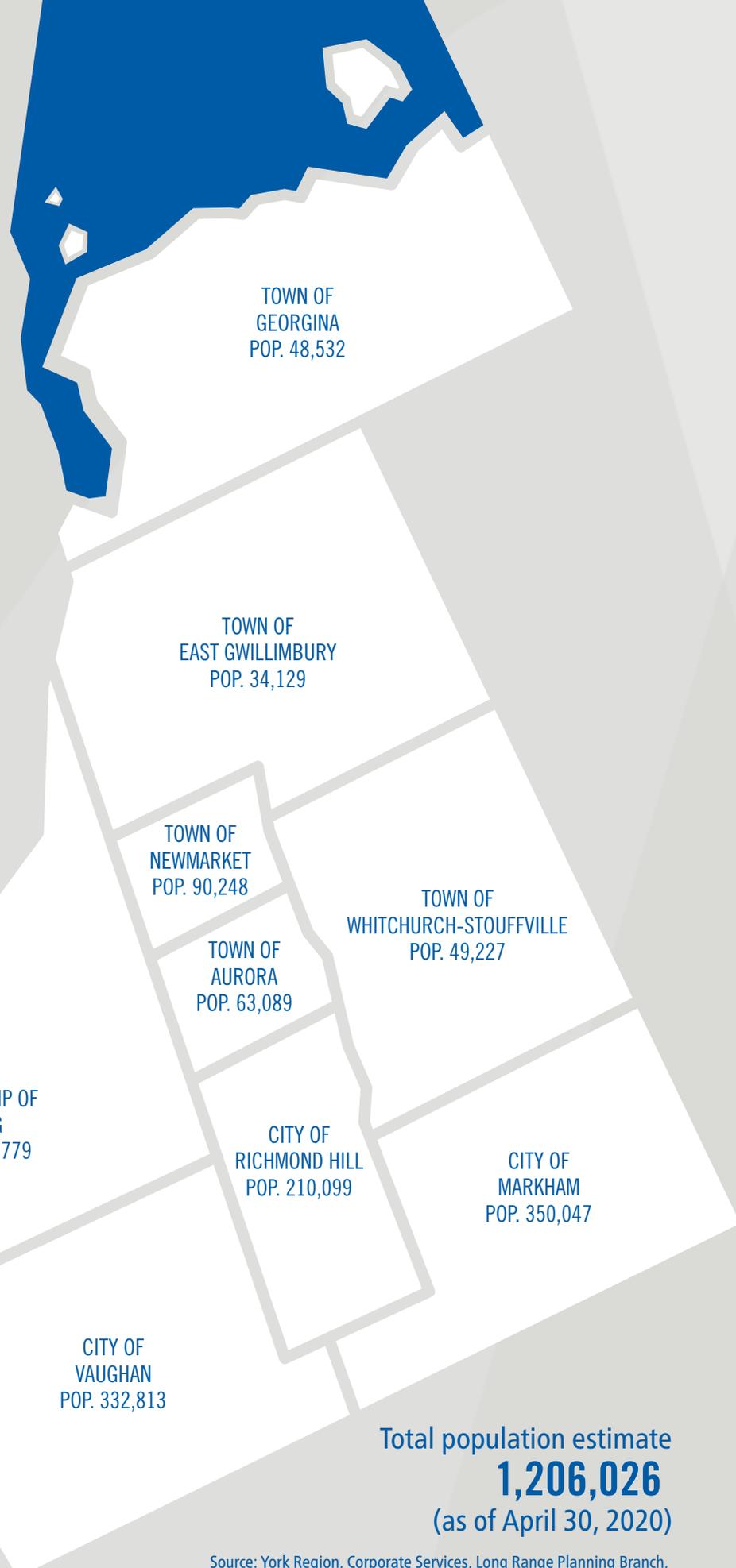


\* Examples include: External Partners and Initiatives, York Region Rapid Transit Corporation, Court Services

**We are committed to delivering quality services**

- Children’s Services
- Court Services
- Economic Development
- Forestry
- Housing Services
- Long-Term Care
- Paramedic Services
- Planning
- Police Services
- Public Health
- Regional Roads
- Social Assistance
- Transit
- Waster Management
- Water

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



**Comprised of  
9 MUNICIPALITIES**

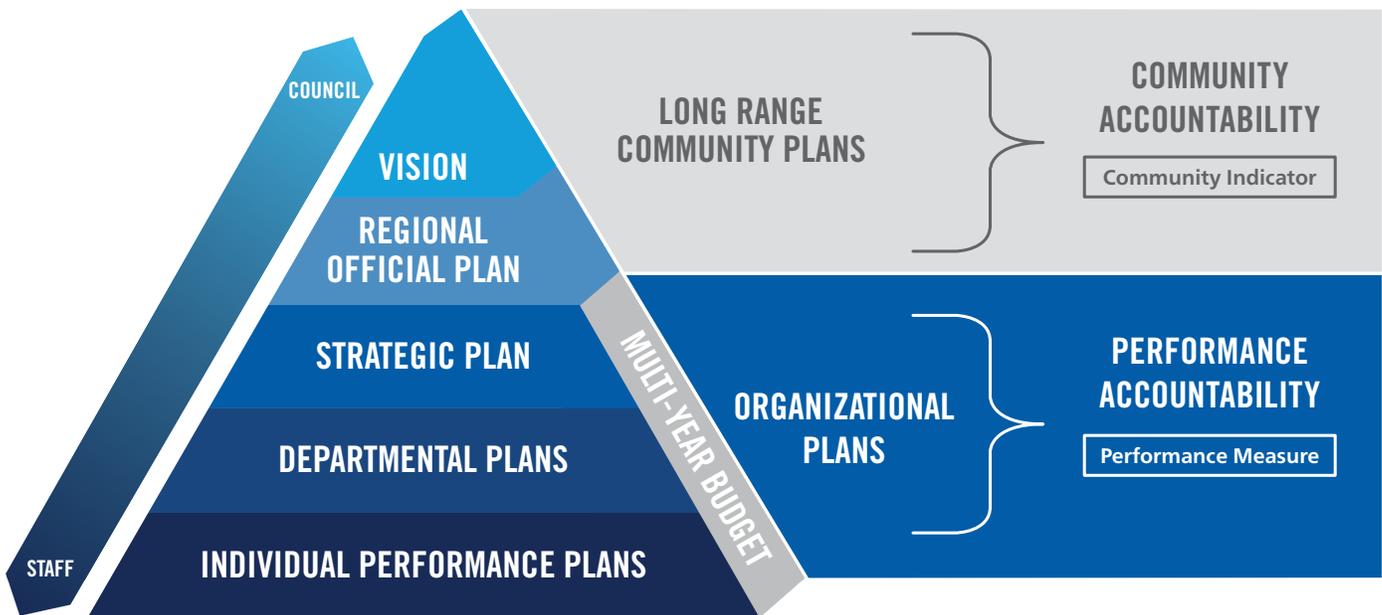
Total population estimate  
**1,206,026**  
(as of April 30, 2020)

Source: York Region, Corporate Services, Long Range Planning Branch, based on Statistics Canada data and CMHC Housing Completion data. Note: Population totals do not total to estimated population due to rounding.

# THE REGIONAL MUNICIPALITY OF YORK STRATEGIC PLANNING FRAMEWORK

The strategic planning process helps set the Region's ambition for the future and how best to achieve it.

Strategic planning in York Region is built on a Results-Based-Accountability (RBA) framework and includes two key components – **Community Accountability** and **Performance Accountability** – which consider the collective contribution and the York Region specific contribution to the well-being of our community.



# YORK REGION HAS A NUMBER OF PLANS CONTRIBUTING TO ITS VISION OF STRONG, CARING, SAFE COMMUNITIES

## VISION 2051

Vision 2051 is York Region's long-range community plan that describes the ideal York Region in the year 2051.

Vision 2051 describes a York Region that:

- Is a place where everyone can thrive
- Is made up of livable cities and complete communities
- Has a resilient natural environment and agriculture system
- Has appropriate housing for all ages and stages
- Has an innovative economy
- Has interconnected systems for mobility
- Promotes living sustainably
- Has open and responsive governance



## REGIONAL OFFICIAL PLAN

Consistent with Vision 2051, the Regional Official Plan sets directions and policies to guide growth management, land use, economic, environmental and community planning decisions to achieve the future York Region desires.

The Regional Official Plan guides how growth and redevelopment will occur while protecting the Region's agriculture and rural areas, building strong, healthy communities and vibrant cities. The policies ensure effective delivery and use of infrastructure and public service facilities.

The policies in the Regional Official Plan sets the stage for more detailed planning with the Region's nine cities and towns and help coordinate planning efforts across York Region.



## STRATEGIC PLAN

In February 2019, The Regional Municipality of York released its *2019 to 2023 Strategic Plan: From Vision to Results*, which outlines four areas of focus to meet the community's changing needs.

Building on the success of the 2015 to 2019 Strategic Plan, the plan provides a detailed course of action within the following four community result areas:

- Economic Vitality
- Healthy Communities
- Sustainable Environment
- Good Government

This plan coincides with the Region's multi-year budgeting process and aligns with this term of Council to ensure it continues to make progress on serving our communities.



## MULTI-YEAR BUDGET

York Region's multi-year budget outlines the financial framework to achieve the community results outlined in the Strategic Plan, and ultimately support Vision 2051.

Multi-year budgeting aligns with the four-year term of Regional Council and provides the overall financial direction for York Region, while offering flexibility to make changes as conditions warrant.

## DEPARTMENTAL PLANS

Each of York Region's six department areas develops business planning documents that focus on their specific services areas within the Region. These department plans support the community result areas set out in the Strategic Plan and help work toward Vision 2051.

## INDIVIDUAL PERFORMANCE PLANS

Organization-wide, individual staff complete annual performance plans to identify goals and activities in alignment with departmental and organizational plans.

# 2019 HIGHLIGHTS

## UNLOCKING TRAVEL OPTIONS FOR WORKERS, BUSINESSES AND THE COMMUNITY

The TTC Yonge Subway Extension into the Richmond Hill/Langstaff Urban Growth Centre at Highway 7 in the City of Richmond Hill is the top transportation priority for Regional Council.

For the past two decades York Region and York Region Rapid Transit Corporation have been working to advance this critical project and deliver this missing link in the Greater Toronto and Hamilton Area's (GTHA) rapid transit network.

In 2019, through the Government of Ontario's Big Move announcement, the province committed \$5.6 billion over the next 10 years to move this vital project forward into construction.

The Yonge Subway Extension is a cross-jurisdictional project spanning the City of Toronto, City of Vaughan, City of Markham and the City of Richmond Hill. Once complete, the Yonge Subway extension will act as a centralized hub, offering commuters a variety of transportation choices to move around the Region and the GTHA faster and more efficiently.

Strong transit systems are the backbone of complete communities and creating new transit connections helps fuel innovation and economic development. A project of this magnitude will lead to new businesses, the creation of 31,000 jobs and more housing choices for approximately 48,000 residents.

To unlock more travel options for York Region's more than 635,000 daily commuters, Regional Council approved \$453 million in capital funding to keep commuters moving across the Region. This investment included the rehabilitation and preservation of 178 lane kilometres of Regional roads, expansion of the Region's transit bus fleet including the purchase of electric buses, completing construction of the Cornell Bus Terminal in the City of Markham and SmartCentres Place Bus Terminal at the Vaughan Metropolitan Centre. To support active transportation initiatives, construction of the 121-kilometre Lake-to-Lake cycling route and walking trail continued.

Looking to the future, Regional Council reaffirmed its commitment to improving the traveller experience and meeting the needs of the growing community through the creation of the Roads Capital Acceleration Fund. This fund will be used to accelerate priority road growth projects that improve connections to the provincial highway network and to rapid transit. At the same time, improved travel options will enhance economic development opportunities and connect residents to jobs now and in the future.

## PROTECTING COMMUNITY HEALTH

In April 2019, the Ontario Government announced its intention to modernize the way public health and emergency health services are delivered across the province. This included the implementation of 10 new

health entities to replace the 35 current provincial public health units, decreased patient offload times and eliminate hallway health care.

Throughout 2019, York Regional Council, in its role as Board of Health, engaged in ongoing consultations and collaboration with the provincial government, advocating in support of the current integrated governance model of public health and emergency health services. York Region's current model of care is effective, responsive and efficient in supporting the health and well-being of the 1.2 million residents who live in our communities.

York Region's dedicated public health and paramedic services staff work hard every day to ensure the health and well-being of our communities. York Region's unique and proven integrated model of care is responsive to the needs of the diverse and growing population and is closely aligned with health, social, housing and other services offered at the municipal level.

By advocating in support of the status quo, Regional Council continues to support a community health structure that provides a seamless customer experience integrated with other community services that address social determinants of health.

Through the Provincial governments proposed modernization of health services, York Region was also asked to identify a 10% reduction in the overall public health budget and contribute funding for 40% of all public health services delivered by April 2021. In response,

York Region engaged Deloitte to conduct an independent third party review of service delivery and administrative expenditures in the Public Health Branch. This review identified efficiencies that would allow the Region to manage changes to the public health funding formula while maintaining a positive customer experience and protecting the health and well-being of the community through quality programs and services.

At the same time, York Region's public health teams also turned their attention to health concerns arising in Wuhan, China and the potential impacts on York Region. Through these initial steps to better understand the epidemiology of the novel coronavirus (COVID-19), York Region's public health unit was better prepared for the emergence of a world-wide pandemic in early 2020, further demonstrating Regional Council's position to maintain the current model of municipal health services.

## PROTECTING OUR NATURAL ENVIRONMENT

York Region is home to an abundance of natural resources. As the community continues to grow, Regional Council remains committed to preserving a clean environment. To achieve this goal, Council has made significant investments in water and wastewater innovation, and over the last decade has invested over \$2 billion in wastewater improvements to service the growing needs of our communities.

In 2019, York Region and Durham Region received environmental assessment approval to proceed

with treatment and operational enhancements at the Duffin Creek Water Pollution Control Plant. This plant is one of the top performing wastewater treatment facilities of its scale in the entire Great Lakes basin and treats wastewater from 80% of the businesses and residents in York Region.

The Duffin Creek plant continues to have the lowest phosphorus discharge limits of plants discharging to the open waters of Lake Ontario and the least impact on greenhouse gas emissions. The plant consistently provides high-quality effluent with no untreated bypasses, meaning even when the amount of wastewater flowing into the plant is at its peak, wastewater is held until it's eventually treated before being released back into Lake Ontario.

Over the next 20 years, York Region is expected to grow to 1.8 million people and 900,000 jobs. To accommodate this growth the necessary infrastructure needs to be in place to ensure wastewater is removed and clean water is delivered to residents.

With approval of the Class Environmental Assessment, York Region can move forward with the full water treatment capacity of Duffin Creek while still contributing to the sustainability of our communities.

## STRENGTHENING REGIONAL GOVERNMENT

On January 15, 2019, the Provincial Government announced a review of Regional governments to ensure they are working efficiently and effectively to provide vital services to our communities.

The review included consultations with elected Council members,

municipal and business stakeholders and members of the public who live and work in York Region.

Throughout the year, Regional Council has provided significant feedback to the Ontario government, standing firm in support of the Region's two-tier government structure as the most effective means to deliver critical infrastructure and services to the communities and residents.

On October 25, 2019, the Ontario Minister of Municipal Affairs announced the province had listened to the feedback of Ontario municipalities and committed to having governance, service delivery and decision making of municipalities remain the responsibility of the municipality.

Included in the initial provincial announcement was a commitment to make Ontario municipalities stronger, by providing funding to help municipal governments identify efficiencies and cost-savings through a \$7.35-million Audit and Accountability Fund. Strengthening Regional government has always been a priority for York Region, and Regional Council remains committed to working with our provincial partners to further explore ways to optimize service delivery and reduce costs, while at the same time ensure we continue to build thriving communities for residents, businesses and visitors.

# 2019 TO 2023 STRATEGIC PLAN YEAR 1 (2019) PROGRESS REPORT



SUMMARY: 24 of 31 = 77% of Performance Measures Trending in the Desired Direction

Result Area	Performance Measure	Historical Data					Baseline Trend
		2015	2016	2017	2018	YEAR 1 2019	
<b>Economic Vitality</b>	Increase % of business engagements resulting in business retention, expansion and attraction	51%	44%	45%	37%	53%	●
	Maintain # of transit ridership per capita	21.4	20.7	20.8	20	19.8	●
	Increase # of kilometres of bus rapidways	8.70	8.70	12.30	12.30	27.30	●
	Increase # of people and employment within 500 metres of transit	Data not available for reporting			241,000	257,000	●
	Maintain % of on-time performance on all transit routes	94.17%	94.58%	94.14%	91.45%	91.48%	●
	Increase # of road lane kilometres	4,144.44	4,174.51	4,229.70	4,265.12	4,309.46	●
<b>Healthy Communities</b>	Maintain % of residents that rate York Region as a safe place to live	97%	96%	96%	94%	95%	●
	Maintain police emergency (Priority 1) response time in minutes	8.2	7.4	7.3	7.2	6.5	●
	Maintain % of municipal drinking water samples meeting Ontario Drinking Water Standards	99.99%	99.96%	99.93%	99.89%	100.00%	●
	Increase % of regional roads with sidewalks and/or dedicated bike lanes in urban areas	Data not available for reporting			88%	84%	●
	Increase % of 17-year-old students in compliance with Immunization of School Pupils Act	59.15%	59.15%	86.43%	91.83%	92.00%	●
	Increase % of food service premises with a certified food handler at all times	43%	47%	52%	68%	77%	●
	Increase % of York Region clients receiving help to improve their housing stability	Data not available for reporting					▲
	Maintain paramedic response time for emergency response services to meet Council approved targets	79%	80%	78%	76%	76%	●
	Increase # of advocacy activities related to long-term care beds	Data not available for reporting			3	13	●
	Decrease # of days to determine York Region residents' eligibility for social assistance	8	9	9	8	8	-
	Decrease # of children with an immediate need waiting for subsidized childcare	2,255	1,957	1,258	1,575	2,152	●
	Increase % of individuals and families remaining stably housed after six months who were homeless or at risk of homelessness	Data not available for reporting				83%	○



Result Area	Performance Measure	Historical Data					Baseline Trend
		2015	2016	2017	2018	YEAR 1 2019	
Sustainable Environment	Maintain % of wastewater receiving treatment	99.99%	99.99%	99.97%	99.99%	100.00%	●
	Maintain % of residential solid waste diverted from landfill	87%	91%	93%	94%	94%	●
	Decrease # of megalitres of treated water consumed per 100,000 population	10,989	10,718	9,605	9,855	10,004	●
	Decrease # of per capita greenhouse gas emissions across Regional operations in tonnes	66.00	69.70	64.80	65.20	65.40	●
	Increase % of growth occurring within the built-up areas	58.1%	44.5%	46.9%	59.3%	75.0%	●
	Increase % of development applications meeting timeline commitments	Data not available for reporting				100%	○
	Maintain # of trees and shrubs planted annually through the Regional Greening Strategy Program	94,637	93,188	85,464	101,122	102,332	●
Good Government	Maintain / Improve comparative \$ of operating cost per unit of service*	0.81	0.86	0.91	1.00	1.01	●
	Increase % of public-facing transactions that can be completed online or with a mobile device	Data not available for reporting			60%	73%	●
	Increase % of reserve-to-debt ratio	73%	79%	86%	99%	111%	●
	Maintain % of regional assets with a condition assessment rating of fair or better condition	Data not available for reporting		91%	90%	87%	●
	Maintain % of York Region residents that are satisfied with Regional government	83%	86%	78%	75%	81%	●
	Increase # of open data sets	131	163	177	214	228	●

\*NOTE: 2018 as baseline year and considered trending in the right direction compared to inflation. 2019 data may be subject to change based on finalized FIR data.

- LEGEND**
- = Trending in the desired direction
  - = Not trending in the desired direction
  - = Trend unchanged
  - = No trend information
  - ▲ = Collecting data

For more information visit [york.ca/stratplan](http://york.ca/stratplan)

# AWARDS AND HIGHLIGHTS

## ECONOMIC VITALITY

**Public Works Project of the Year Award** for road improvement to Bayview Avenue

## HEALTHY COMMUNITIES

**Ontario Award for Paramedic Bravery** recognizing two York Region paramedics for going above and beyond their duties to assist a resident in distress

**Governor General's Emergency Medical Services Exemplary Service Medal** awarded to eight York Region paramedics who have each completed 20 years of exemplary service

**Gold Certification from Excellence Canada** achieved by York Region Public Health

## SUSTAINABLE ENVIRONMENT

**TAC Environmental Achievement Award, American Public Works Association Project of the Year Award, Ontario Public Works Association Project of the Year Award and Professional Engineers Ontario Project of the Year Award** for the Bayview Corridor Project

**Ontario Water Works Association's Water Efficiency 2019 Award of Excellence** for innovation and excellence in reducing water consumption

**Excellence in Innovation in Civil Engineering Award** from the Canadian Society of Civil Engineers

**IT Project of the Year Award** for York Region's Inflow and Infiltration Monitoring Program

## GOOD GOVERNMENT

**Government Finance Officers Government Finance Officers Association Distinguished Budget Presentation Award** for the 2019 budget document

**Government Finance Officers Award** for the 2018 annual community report

**Canadian Award of Excellence in Financial Reporting Award** recognizing easily readable, well organized reports that present financial information in a clear and concise manner

**GTA Top Employer, Best Diverse Employer and Best Employer for Young People** from MediaCorp Canada Inc.

**Corporate Communications and Non-Profit Communications Department of the Year** from the International Association of Business Communicators (IABC) for GTA and world-wide communications excellence

**P.J. Marshall Innovation Award** from the Association of Municipalities of Ontario for Court Services remote testimony project

**Esri Canada Award of Excellence** for outstanding use of geographic information systems technology and an innovative approach to data sharing

**High credit ratings in 2019** with both Moody's Investors Service and S&P Global Ratings reaffirmed their credit ratings for York Region. The Moody's rating is Aaa/Stable, the highest possible. While S&P's is slightly lower at AA+/Stable, in 2019 it upgraded the outlook for the Region from stable to positive





Laura Mirabella, FCPA, FCA,  
Commissioner of Finance  
and Regional Treasurer

MESSAGE FROM THE

## COMMISSIONER OF FINANCE AND REGIONAL TREASURER

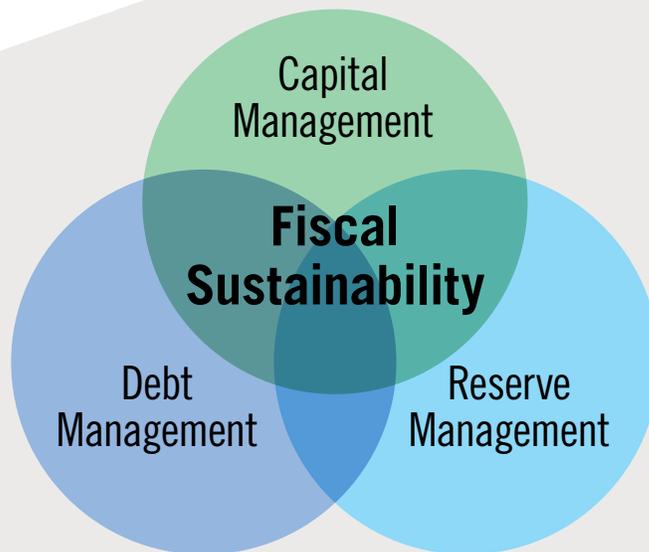
**To the members of York Regional Council, residents  
and ratepayers of The Regional Municipality of York:**

I am pleased to present this report on York Region's financial performance for the year ended December 31, 2019.

It discusses our financial results for the year and includes highlights of our consolidated financial statements contained in the 2019 Community Report that can be found at [york.ca/annualreports](http://york.ca/annualreports). The consolidated financial statements have been prepared in compliance with legislation and on a basis consistent with Canadian Public Sector Accounting Standards. York Region's external auditors, KPMG, have expressed their unqualified opinion that the financial statements fairly present the financial position of York Region as of December 31, 2019.

### REGIONAL FISCAL STRATEGY

The purpose of the Regional Fiscal Strategy, adopted in 2014 and updated annually, is to help York Region achieve long-term financial sustainability and fairness over time. It brings together three related elements, as shown in the diagram below.



The strategy recognizes the importance of fairness over time (intergenerational equity): no taxpayer at a given point in time benefits at the expense of a taxpayer at another point in time. This works in both directions — today’s residents should not be unduly burdened to pay for projects that will largely benefit later residents and future residents should not be unduly burdened with the costs of projects that largely benefited past residents.

**Capital management** is important because York Region must often build major infrastructure like roads, transit and water and wastewater systems in advance of the expected population and employment growth they will serve. Although the costs are expected to be covered by development charges when growth occurs, debt is often used to bridge the timing gap. Making investments at the best possible time, based on realistic forecasts, helps to reduce debt levels and debt service costs.

**Reserves** are funds that are built up over time for specific purposes, including paying capital-related costs to avoid issuing debt. Under the strategy, York Region has significantly increased the level of reserves dedicated to asset renewal and replacement. A corporate-wide asset management plan, endorsed by Regional Council in 2018, provides guidance on the size and timing of the needed investments. The strategy also saw the creation of a debt reduction reserve. Funded from the tax levy, it is mainly used to cover growth-related capital costs that are not eligible for development charge funding.

The Region’s long-term **debt management** plan takes into account borrowing needs over the following 10 years, complies with Regional and provincial policies and considers risks to plan and ways of mitigating them.

## 2019 HIGHLIGHTS

Over the course of the 2019 fiscal year, York Region:

- Increased its financial assets, including cash, cash equivalents and investments, by \$228.0 million to bring the total to \$4.5 billion
- Paid down \$56.3 million in debt, excluding borrowings on behalf of local municipalities and net of sinking fund assets, to decline to \$2.7 billion from a peak of \$2.9 billion in 2017
- Saw an increase of \$689.2 million in its accumulated surplus, reflecting results from operations

## CHANGES IN FINANCIAL POSITION

The Consolidated Statement of Financial Position gives a picture of York Region's balance sheet at December 31, 2019. The table provides a summary.

<b>Consolidated Statement of Financial Position</b>				
(\$ Millions)	2019 Actual	2018 Actual	Variance	% Change
Items				
Financial Assets	4,531.5	4,303.4	228.0	5.3%
Financial Liabilities	5,093.9	5,102.6	(8.7)	(0.2%)
Net Debt	(562.4)	(799.2)	236.7	(29.6%)
Tangible Capital Assets	8,449.8	7,999.8	450.0	5.6%
Other Non-Financial Assets	21.2	18.6	2.5	13.6%
Accumulated Surplus	7,908.5	7,219.3	689.2	9.5%

Note: numbers may not add due to rounding

### Financial Assets

The Region's financial assets which include cash and cash equivalents, investments and amounts owed to the Region by third parties, including debt issued by the Region on behalf of local municipalities increased 5.3%.

Cash and cash equivalents grew by \$691.8 million from \$472.4 million at the end of 2018 to reach almost \$1.2 billion a year later. The increase largely reflected a proactive management decision to decrease the Region's long-term investment portfolio, which was \$485.9 lower by year-end 2019 than a year earlier, and move the proceeds to cash and cash equivalents. As well as providing capital gains from the sale of fixed income and equity securities, this shift allowed for greater liquidity in case of possible market turbulence in 2020.

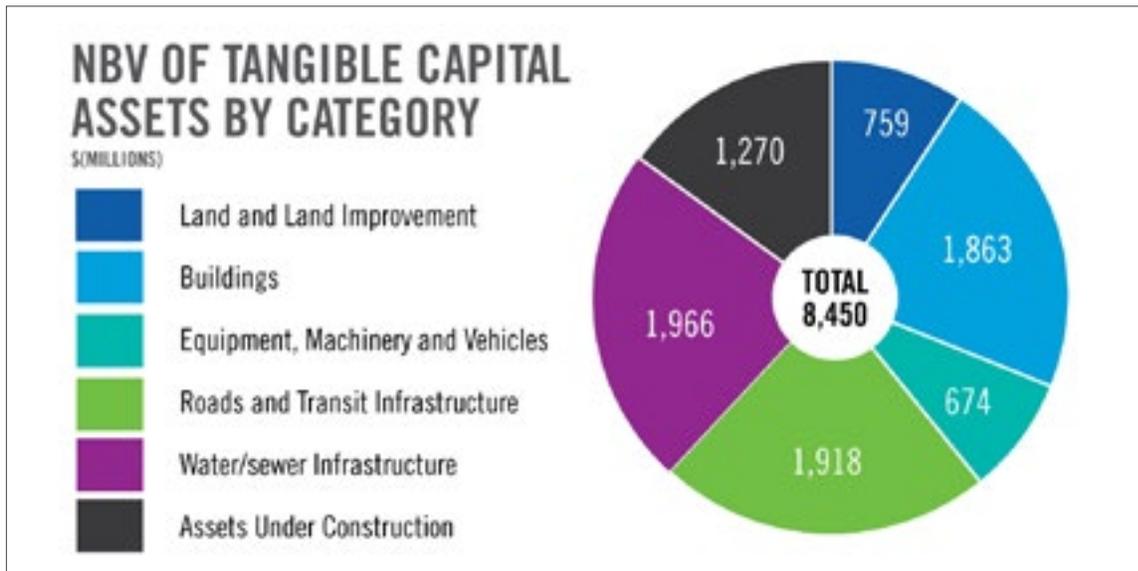
### Tangible Capital Assets

Under full accrual accounting, assets that are expected to last for more than one year are capitalized. This means the upfront cost of building and acquiring tangible capital assets is shown not as an expense, but instead on the Consolidated Statement of Cash Flows in the year the spending occurs and amortization is recorded as an expense over the life of the asset. The budget as approved by Regional Council treats capital spending as an expense in the year it occurs. This facilitates approval of a capital budget that authorizes the expected cash outflows on capital projects over time.

Net book value is the cost of an asset less its accumulated amortization and is reported on the Consolidated Statement of Financial Position.

The net book value of the Region's assets increased by \$450.0 million in 2019 to a total of \$8.4 billion.

The following graph shows the breakdown in the net book value of assets by category:



### Financial Liabilities

The Region's liabilities include accounts payable and accrued liabilities, employee benefit obligations, deferred revenue and gross long term liabilities or debt.

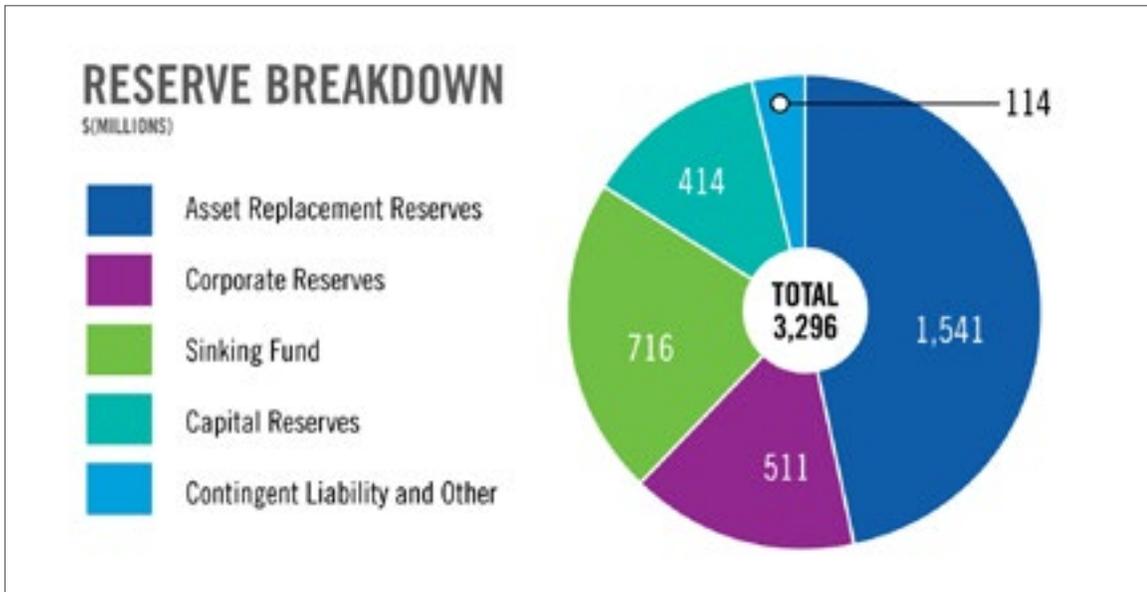
Liabilities other than debt increased by \$55.3 million, ending the year at \$1.5 billion.

The Region's debt, excluding borrowings on behalf of local municipalities and net of sinking fund assets, fell by \$56.3 million by year-end.

## Accumulated Surplus

The accumulated surplus is the total of past annual surpluses. It represents the difference between the Region's assets, including tangible capital assets, and its obligations, including debt. As such, it represents the net resources the Region has to provide future services.

The Region has identified a number of specific future needs and earmarked a portion of the total accumulated surplus for them. These amounts are called reserves and reserve funds, and at 2019 year-end they totalled \$3.3 billion, up from \$3.0 billion a year earlier. The pie chart below provides a breakdown by reserve type.



## CONSOLIDATED STATEMENT OF OPERATIONS

### Comparing actual results to the budget

The budget is prepared on what is called the "modified accrual basis" of accounting. This approach looks mainly at expected cash inflows and outflows and uses the property tax levy to achieve a balance. This is different from the accrual treatment for the consolidated financial statements, which are prepared in accordance with the standards set by the Public Sector Accounting Board.

Transfers from reserves and the proceeds of borrowings are sources of cash, not revenues under full accrual accounting. Similarly, transfers and contributions into reserves and repayments of debt are uses of cash, not expenses, under full accrual accounting. In the budget approved by Council, these inflows and outflows are taken into account in balancing the budget as required by provincial statute.

For comparability, the 2019 budget provided an outlook for revenues and expense on a full accrual basis, and the consolidated financial statements compare final results to that outlook.

## RESULTS FOR 2019

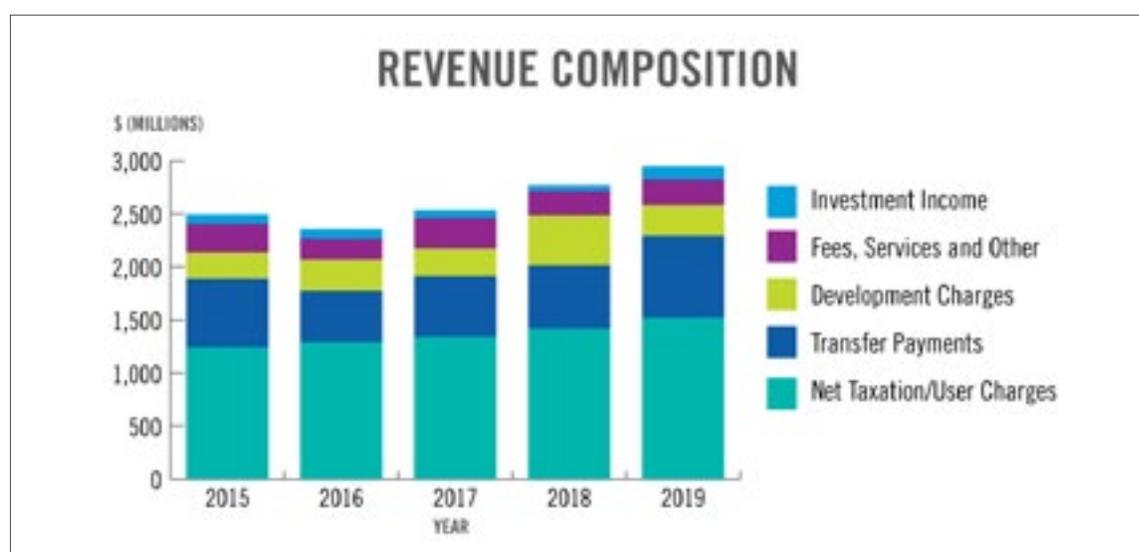
Between 2018 and 2019, revenues and expenses grew by \$175.6 million and \$6.1 million, respectively. The table below provides a summary.

<b>Consolidated Statement of Operations</b>					
<b>\$(Millions)</b>	<b>2019 Budget</b>	<b>2019 Actuals</b>	<b>2018 Actuals</b>	<b>Budget to Actual Variance</b>	<b>Year over Year Variance</b>
Revenues	2,861.6	2,941.9	2,766.2	80.2	175.6
Expenses	2,326.4	2,252.6	2,246.6	(73.8)	6.1
Annual Surplus, accrual basis	535.2	689.2	519.7	154.0	169.6

Note: numbers may not add due to rounding

### Revenues

At just over \$2.9 billion, actual 2019 revenues were \$80.2 million higher than expected in the 2019 budget, and \$175.6 million above actual 2018 revenues. The following graph illustrates the five-year trend in revenues by source:



High dependence on sources of revenue over which a government has little or no control can make it more vulnerable to the decisions of other entities.

In total, revenues over which the Region has control, comprising taxation and user charges, fees, services and interest earnings, amounted to about 63.5% of revenue in 2019. Over the past five years, these revenue sources have provided 64.2% of total revenues on average.

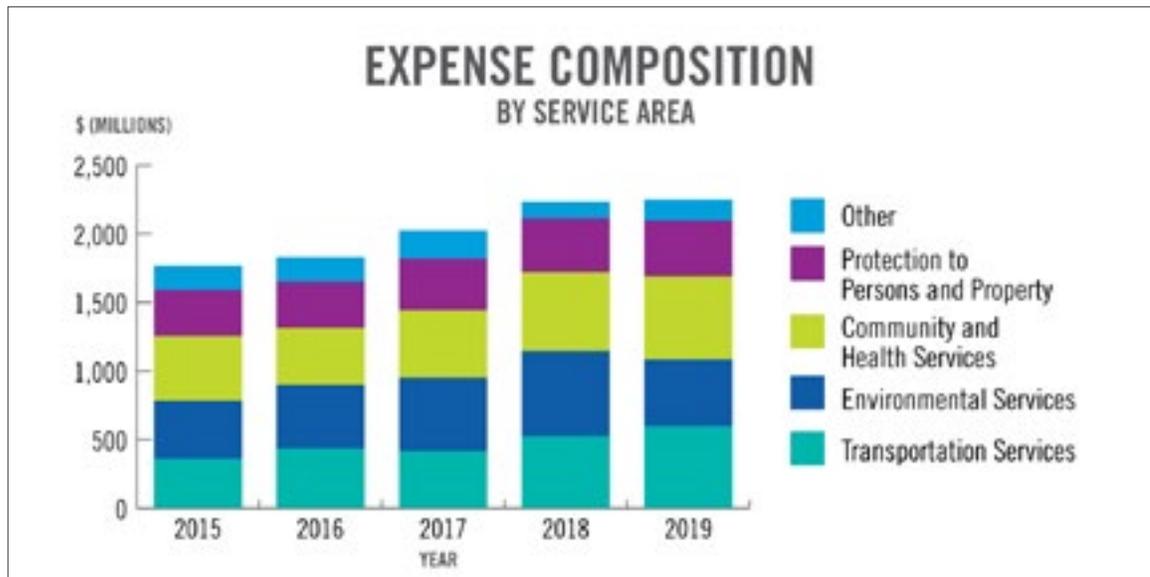
Among revenue sources over which the Region has limited control, transfer payments from senior governments have provided an average of 23.4% of revenues over the past five years. In 2019, the figure was higher than average at 26.5%, owing largely to the provincial donation of Metrolinx-related assets to the Region that was treated as a transfer payment.

In general, transfer payment fluctuations reflect either specific, time-limited funding (such as for the transit projects) or decisions by other levels of government. The Region is accustomed to managing the impact of changes in the level of these payments as long as sufficient time to adjust is provided.

Drawdowns of development charges are used to pay for growth-related capital projects, and can change sharply from year to year in line with the investments they fund. Over the past five years, this source of revenue has averaged 12.3% of the Region’s total. In the first three years, the level was fairly stable. In 2018 it increased sharply to 17.1% of total revenue, followed by a decline to 10.0% in 2019 as the Region relied on debt to fund a portion of growth-related capital costs.

## Expenses

Total expenses were \$2.3 billion. This was a decrease of \$73.8 million from the full accrual budget plan and a \$6.1 million increase from 2018. The decrease was mainly due to relatively late 2019-2022 budget approval causing below-budget spending on salaries and benefits as there were delays in hiring to fill new positions.



- Growth and fluctuations in Transportation Services expense largely reflect the share of Metrolinx funding for bus rapidways that has been expensed each year. As noted above, this spending was fully funded by Metrolinx. Transportation has also seen amortization expense increase as a result of significant investments in tangible capital assets.
- Environmental Services expense increased fairly steadily, after taking into account one-time adjustments in 2017 and 2018, going from \$432.0 million in 2015 to \$482.3 million in 2019. This reflects higher costs to operate and maintain a larger and more technically complex portfolio of assets, higher amortization expense and more stringent regulation, offset by the department’s ongoing efforts to find savings. The department’s share of total expense fell from 24.4% in 2015 to 21.4% in 2019.

- Community and Health Services expense rose from \$470.3 million or 26.6% of total spending in 2015 to 612.0 million or 27.2% in 2019. The department received significant increases in provincial transfer payments over the five years, particularly in 2017 and 2019, which is reflected in higher expense as this funding was flowed through to third parties. The Region has also put more resources into emerging issues related to a larger and changing population, including homelessness and mental health needs.
- Protection to Persons and Property largely reflects York Regional Police, whose budget is strongly tied to staffing costs. Expense has increased from \$331.3 million in 2015 to \$405.7 million in 2019, paralleling the Region's overall growth in salaries and benefits.

## OUTLOOK AND RISK MANAGEMENT

In March 2020, the Canadian federal and provincial governments took several steps to curb the spread of COVID-19, a respiratory disease caused by a new coronavirus.

As the crisis developed, the Region and local municipalities took steps to ease the financial impacts on residents including:

- Deferring the budgeted increase of 9% in water and wastewater rates that was to go into effect on April 1, 2020, with an estimated impact to the Region of \$25 million
- Waiving interest until January 1, 2021 on any portion of property tax instalments, for the 2020 taxation year, not remitted to the Region as a direct result of a local municipality's COVID-19 tax relief program, save and except for the interest related to the final 2020 installment which shall be waived until March 31, 2021

As of mid-April, the combined impact of unexpected costs and lower revenues resulting from the COVID-19 crisis was estimated at more than \$3.5 million a week on average. Direct costs included overtime and other additional staffing costs, as well as personal protective equipment and training for workers. Indirect impacts included higher costs to process a greater volume of residential waste, lower transit fare and user rate revenues and lower fine and related revenues because courts were closed.

While the fiscal impacts of COVID-19 on the Region over the longer term remain to be seen, they may include lower-than-expected development charge collections from continued mandated closures, lower-than-expected assessment growth and the need for continued financial relief for residents and businesses as they rebuild.

Provincial and, to a lesser extent, federal decisions on programs, policies, regulation and funding have impacts on the Region's revenues and expenses. The Ontario government's 2020 budget and other announcements are affecting the Region and will likely continue to do so. The Region continues to assess the potential impacts of these changes.

Population and economic growth in York Region has significant impacts on its fiscal picture, such as in the planning and building of large assets in the Region. Rate of population increase is currently slower than in the recent past and this trend may continue, resulting in delayed or reduced development charge collections. The Region is actively improving its capital planning to better understand the relationship between population growth and areas of increased settlement.

Through its strategic framework for financial management, including the Regional fiscal strategy and other financial plans and policies, the Region continues to mitigate and manage the risks and uncertainties it is exposed to. In addition to the risks and uncertainties outlined, there are other risks that may impact Regional performance and operations that are discussed in the 2019 Community Report.

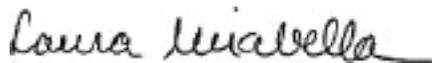
## **CONCLUSION**

The year just ended was a significant one for York Region, as it strengthened its financial position and moved from being a net borrower to a net investor.

This progress has left the Region well positioned to weather the COVID-19 crisis that created major uncertainty in the 2020 fiscal year. Guided by a balanced fiscal strategy, we have built reserves for future needs and to help smooth the impacts of unexpected disruptions.

Despite any short-term adjustments, we will nonetheless continue to pursue the long-term goals of the Region's fiscal strategy – reducing reliance on debt, building reserves and managing the capital plan prudently. This experience has unquestionably shown the value of planning for a strong financial position.

Sincerely,



Laura Mirabella, FCPA, FCA

Commissioner of Finance and Regional Treasurer

## THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position<sup>1</sup>  
As at December 31, 2019

	2019 \$	2018 \$
<b>ASSETS</b>		
<b>Financial Assets<sup>2</sup></b>		
Cash and cash equivalents	1,164,257,925	472,421,826
Accounts receivable	366,316,108	328,410,381
Investments	2,841,431,098	3,327,326,728
Debt amounts recoverable from local municipalities	159,468,322	175,289,246
<b>Total</b>	<b>4,531,473,453</b>	<b>4,303,448,181</b>
<b>LIABILITIES<sup>3</sup></b>		
Accounts payable and accrued liabilities	826,367,635	718,204,400
Employee benefit obligations	242,104,066	221,953,092
Deferred revenue	125,691,131	160,784,391
Deferred revenue-obligatory reserve funds	348,719,019	386,668,255
Gross long-term liabilities	3,551,027,481	3,615,010,211
<b>Total</b>	<b>5,093,909,332</b>	<b>5,102,620,349</b>
<b>Net Debt<sup>4</sup></b>	<b>(562,435,879)</b>	<b>(799,172,168)</b>
<b>Non-Financial Assets<sup>5</sup></b>		
Tangible capital assets	8,449,791,134	7,999,815,545
Inventory	6,976,422	6,257,623
Prepaid expenses	14,190,872	12,371,940
<b>Total</b>	<b>8,470,958,428</b>	<b>8,018,445,108</b>
Contractual rights / contingent assets		
Contractual obligations and commitments		
Contingent liabilities		
Subsequent event		
<b>Accumulated surplus<sup>6</sup></b>	<b>7,908,522,549</b>	<b>7,219,272,940</b>

- 1 The Consolidated Statement of Financial Position shows the Region's financial position, which includes the assets, liabilities, and accumulated surplus, at a specific point in time. It provides information on what the municipality owns and owes to creditors.
- 2 Financial assets: assets easily accessible in the form of cash, cash deposits, checks, loans, accounts receivable and marketable securities.
- 3 Liabilities: amounts owed to creditors.

- 4 Net debt: the sum of all debt minus the financial assets available to repay the debt.
- 5 Non-financial assets: assets that are owned and will be utilized for future services, including tangible capital assets, inventory and prepaid expenses. Non-financial assets are not easily convertible to cash.
- 6 Accumulated surplus: this is an indicator of the Region's overall financial health. It is the difference between the assets (financial and non-financial assets) as compared to the liabilities.

## THE REGIONAL MUNICIPALITY OF YORK

### Consolidated Statement of Operations and Accumulated Surplus<sup>1</sup> Year ended December 31, 2019

	Budget \$	2019 \$	2018 \$
<b>REVENUES</b>			
Net taxation	1,144,988,360	1,152,162,507	1,090,945,754
User charges	354,402,953	353,922,631	316,536,359
Transfer payments	690,315,909	779,841,153	604,651,038
Development charges	415,706,704	293,035,354	474,241,470
Fees and services	161,510,714	167,458,208	164,825,811
Investment income	61,579,354	119,274,291	68,651,950
Other	33,119,079	76,171,198	46,376,561
<b>Total Revenues</b>	<b>2,861,623,073</b>	<b>2,941,865,342</b>	<b>2,766,228,943</b>
<b>EXPENSES</b>			
General government	190,506,541	129,457,518	117,078,747
Protection to persons and property	394,910,995	405,658,455	385,665,574
Transportation services	608,651,038	607,643,630	539,405,319
Environmental services	496,570,103	482,288,832	612,355,719
Health and emergency services	174,985,897	158,928,796	154,793,232
Community services	355,109,276	352,435,658	334,016,931
Social housing	91,226,472	100,627,994	90,938,193
Planning and economic development	14,451,459	15,574,850	12,311,606
<b>Total Expenses</b>	<b>2,326,411,781</b>	<b>2,252,615,733</b>	<b>2,246,565,321</b>
<b>Annual surplus<sup>2</sup></b>	<b>535,211,292</b>	<b>689,249,609</b>	<b>519,663,622</b>
Accumulated Surplus, Beginning of Year	7,219,272,940	7,219,272,940	6,699,609,318
<b>Accumulated Surplus, End of Year</b>	<b>7,754,484,232</b>	<b>7,908,522,549</b>	<b>7,219,272,940</b>

1 The Consolidated Statement of Operations and Accumulated Surplus shows the sources of revenues and expenses, the annual surplus or deficit, and the change in the accumulated surplus over a period of time.

2 Annual surplus: the difference between revenues and expenses; the "income" earned over a period of time.



**HOW TO CONTACT US**

For information on York Region services and programs, please call Access York 1-877-464-9675

Accessible formats or communication supports are available upon request.

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