

**2010 NON-PROGRAM
Budget Overview**

Budget Summary \$'000s	2009 Budget	2009 Projection	2010 Proposed	09 vs 10 Variance	2011 Forecast	2012 Forecast
Current Budget – Total Expenditures	\$84,744	\$84,744	\$90,293	\$5,549	\$105,893	\$113,693
Current Budget – Total Revenue	\$77,289	\$75,089	\$81,364	\$4,075	\$81,364	\$81,364
Current Budget – Net Cost	\$7,455	\$9,655	\$8,929	\$1,474	\$24,529	\$32,329
FTE	0	0	0	0	0	0
New Capital			\$0		\$0	\$0

2010 BUDGET HIGHLIGHTS:

Current Budget

The proposed 2010 Net Budget is \$8.9 million, which is a \$1.4 million increase over the 2009 Budget. The main drivers to the 2010 budget changes include:

- The 2010 phase of the Capital Investment Plan was deferred for 2010, but the plan is intended to be continued in 2011 and 2012. This plan is intended to address the long term under funding of the tax supported capital plan. This is being accomplished by a series of increases in the amount that is contributed to reserves from the tax base. The annual increase is to be approximately one per cent of the tax levy.
- The 2010 Budget includes a provision of \$0.8 million to fund the Regional portion of the property tax rebate to be offered to eligible low-income seniors and low-income disabled person under a new program to be offered by the Peel lower-tier municipalities under section 365 of the Municipal Act, 2001.
- Other contingencies and technical adjustments contribute a net increase of \$0.7 million. This net amount is driven by a \$1.0 million increase related to the elimination of Council approved 2009 tax rate management initiatives, which is partially offset by an expected decrease in the net budget due to higher than anticipated payment in lieu of tax revenues from the Greater Toronto Airports Authority.

Staffing

Not applicable to this program

Capital

Not applicable to this program.

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Section I. Existing Services and Service Levels:

The non-program estimates consist of corporate expenses and revenues that are not directly attributable to any individual service program, but do impact the overall tax requirement. These include:

- Contributions to corporate reserves (Capital Investment Plan)
- Supplemental taxation
- Tax write offs
- Payments in lieu of taxes
- Self-insuring benefits program
- Federal gas tax program
- Other corporate contingencies

Key Non-Program Initiative in 2009:

Capital Investment Plan

In 2009 the second phase of the corporate Capital Investment Plan was completed. This is a multi-year initiative to address the under-funding of the Region’s tax funded capital plan by increasing contributions to reserves by an amount equal to one per cent of the tax levy annually. Contributions to capital reserves were postponed for 2010 but will be reinstated for the 2011 Budget.

Low Income Seniors

The 2010 Budget includes a provision of \$0.8 million to fund the Regional portion of the property tax rebate to be offered to eligible low-income seniors and low-income disabled person under a new program to be offered by the Peel lower-tier municipalities under section 365 of the Municipal Act, 2001.

Section II. Resources to Deliver 2009 Services:

Current \$'000	2008 Actual	2009 Budget	2009 Projection	2009 Variance Under/(Over)
Total Expenditures	\$130,705	\$84,744	\$84,744	\$0
Total Revenue	\$127,459	\$77,289	\$75,089	\$2,200
Net Cost	\$3,245	\$7,455	\$9,655	(\$2,200)

Note: 2008 Actuals include the impact of unanticipated one-time Investing in Ontario grant in the amount of \$67 million

2009 Budget:

Through the 2009 budget process non-program operated with a net current budget of \$7,455 after in year adjustments related to the 2009 phase of the Capital Investment Plan.

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2009 Projection:

An unfavourable variance of \$2.2 million is projected in the non-program area in 2009. This will be the result of \$3.7 million greater than estimated tax write-off expenses, partially offset by \$1.1 million higher than estimated supplemental tax revenues and \$0.4 million higher than estimated payments in lieu of taxes for the Greater Toronto Airports Authority.

Section III. Performance Measurement/Benchmarking:

Not applicable to this program.

Section IV. 2010 Base Pressures:

Other contingencies and technical adjustments contribute a net increase of \$0.7 million. This net amount is driven by a \$1.0 million increase related to the elimination of 2009 tax rate management initiatives, which is partially offset by an expected decrease in the budget due to higher than anticipated payments in lieu of tax revenues from the Greater Toronto Airports Authority. A one time payment related to a boundary adjustment with Halton in the amount of \$2.0 million is completely offset by a draw from corporate reserves and will have no impact on the tax levy.

Section V. Cost Mitigation Through Efficiencies and Recoveries:

Efficiencies and recoveries have no projected impact on the 2010 non-program budget.

Section VI. Challenges and Emerging Trends:

The need to maintain the sustainability of the Regions 10 year capital plan will continue to be a challenge in future years. Lingering effects of the recession could negatively impact the non-program area through lower supplemental assessments and increased tax write-offs.

Section VII. 2010 Program Pressures – Current:

Subsidy Changes:

The 2010 budget estimates an increase of \$3.5 million in expected Federal Gas Tax subsidies. This amount is completely offset by increased contributions to reserves as required by Association of Municipalities (AMO) in the amount of \$3.5 million. These offsetting changes have no net impact on the Regions tax levy.

Other Pressures:

The 2010 Budget includes a provision of \$0.8 million to fund the Regional portion of the property tax rebate to be offered to eligible low-income seniors and low-income disabled person under a new program to be offered by the Peel lower-tier municipalities under section 365 of the Municipal Act, 2001.

Section VIII. 2010 New Initiatives - Current:

Not applicable to this program.

Section IX. 2010 Program Pressures – Capital:

Not applicable to this program.

Section X. Future Outlook:

2011 and 2012 Current Budget:

The forecast for Non-Program in 2011 and 2012 is based on the assumptions that the Capital Investment Plan will be reinstated in 2011 and the property tax rebate for low-income seniors and low-income disabled person program will continue indefinitely. It is also assumed that there are no material changes in the level of supplemental taxation and tax write-offs experienced by the Region.

2011 \$24.5 million

2012 \$32.3 million

Section XI. Pressures not included in 2010 Budget:

Ongoing affects of the recession could continue to have negative impacts on the levels of supplemental taxation and tax write-offs that the Region experiences.

Appendices:

Appendix I	2010 Current Pressures
Appendix II	2010 Capital Overview – N/A
Appendix III	2010 New Capital Detail – N/A
Appendix IV	Ten Year Capital Plan– N/A
Appendix V	Output/Outcome Measures – N/A

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APPENDIX I
NON PROGRAM
2010 CURRENT PRESSURES (\$'000)

	Non-Program		
	Total Expenditures	Total Revenue	Net Cost
2009 Revised Cost of Service	\$ 84,744	\$ 77,289	\$ 7,455
Annualizations/Other - Section IV			
Non program contingencies and technical adjustments	2,020	1,354	666
<i>Subtotal</i>	2,020	1,354	666
Cost of Living Increase/Inflation - Section IV			
No impact in 2010	-	-	-
<i>Subtotal</i>	-	-	-
Efficiencies - Section V			
No impact in 2010	-	-	-
<i>Subtotal</i>	-	-	-
Recoveries - Section V			
No impact in 2010	-	-	-
<i>Subtotal</i>	-	-	-
2010 Base Changes	\$ 2,020	\$ 1,354	\$ 666
Growth - Section VII			
No impact in 2010	-	-	-
<i>Subtotal</i>	-	-	-
Service Demand - Section VII			
No impact in 2010	-	-	-
<i>Subtotal</i>	-	-	-
Subsidy and Fee Changes - Section VII			
Federal Gas Tax (Increased recoveries and transfer to reserve)	3,529	3,529	-
<i>Subtotal</i>	3,529	3,529	-
Other - Section VII			
Tax Rebate - Low Income Seniors		(808)	808
<i>Subtotal</i>	-	(808)	808
2010 New Pressures	\$ 3,529	\$ 2,721	\$ 808
Total 2010 Pressures	\$ 5,549	\$ 4,075	\$ 1,474
2010 Recommended Cost of Service	\$ 90,293	\$ 81,364	\$ 8,929