

Region of Durham

Finance Department
Presentation to
Township of Scugog,
February 21, 2018



Broader Economic Conditions



**Household Debt
Remains High**

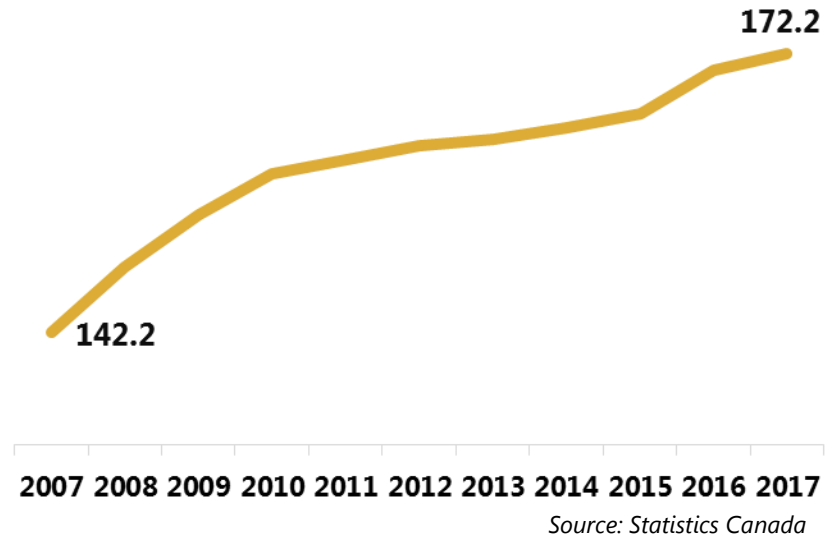


**2018 GDP growth
expected to be more
moderate than 2017**



**Interest Rates
inching upward,
mindful of downside
risks in the forecast**

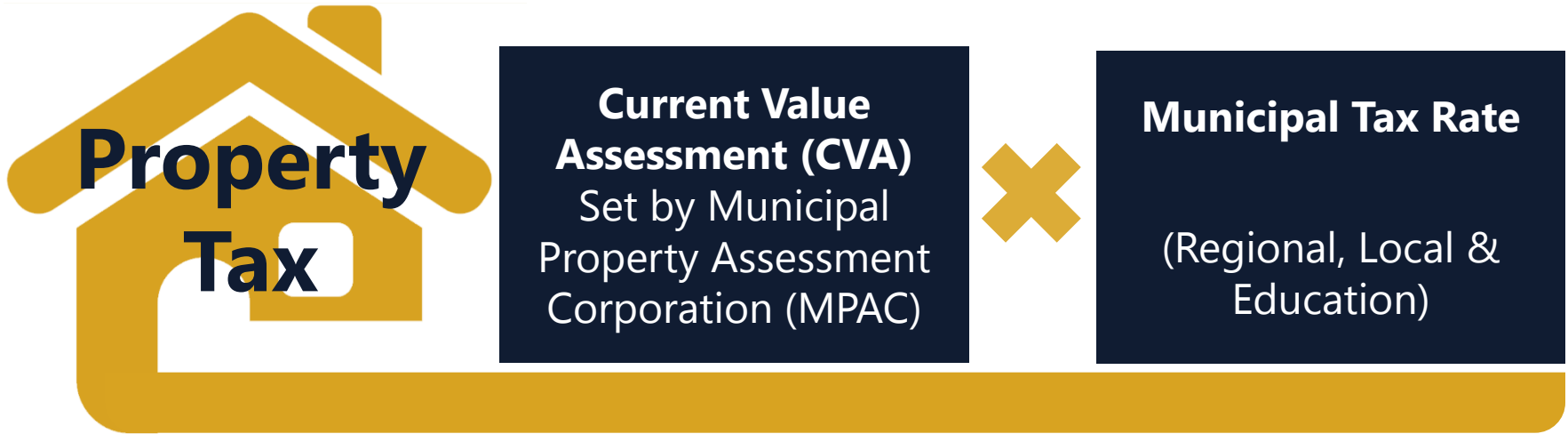
Debt to Disposable Income Ratio (Canada)



"My second preoccupation is the state of Canada's housing markets and the associated level of household debt. The Bank said ...these vulnerabilities are elevated, and are likely to remain so for a long time."

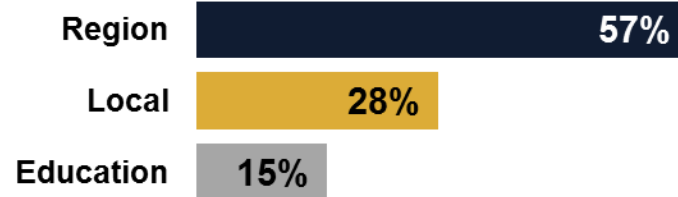
**Steven Poloz, Governor of the Bank of
Canada
December 14, 2017**

Property Taxation Overview

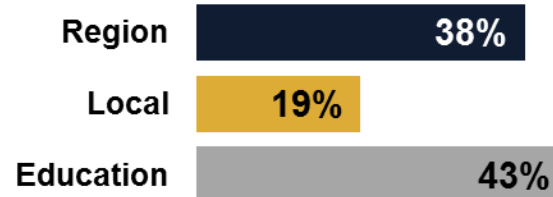


2018 Estimated Property Taxes

Residential

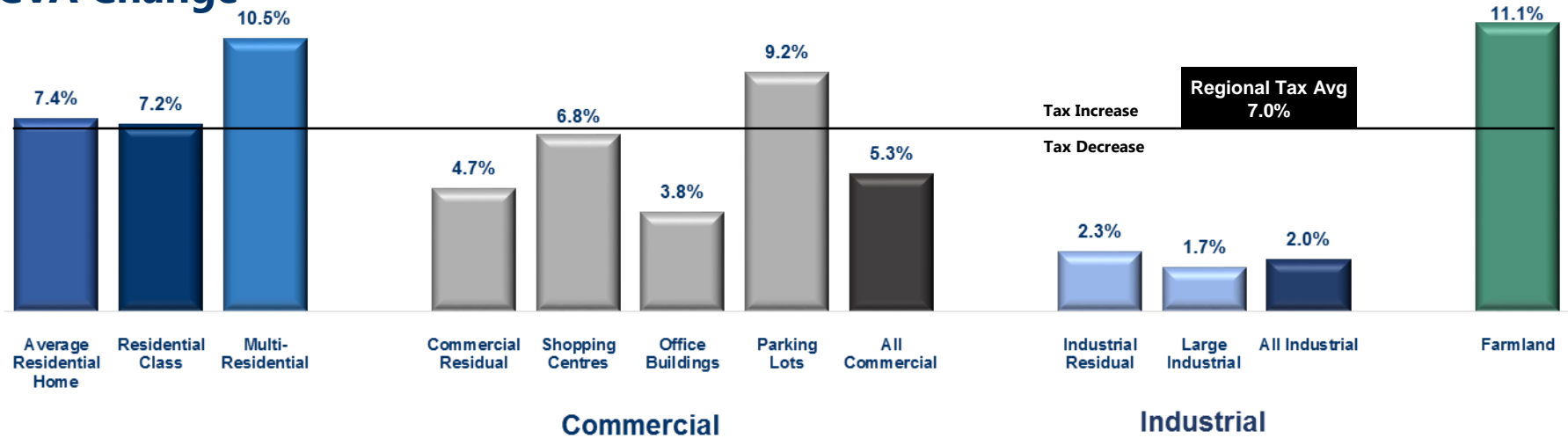


Non-Residential

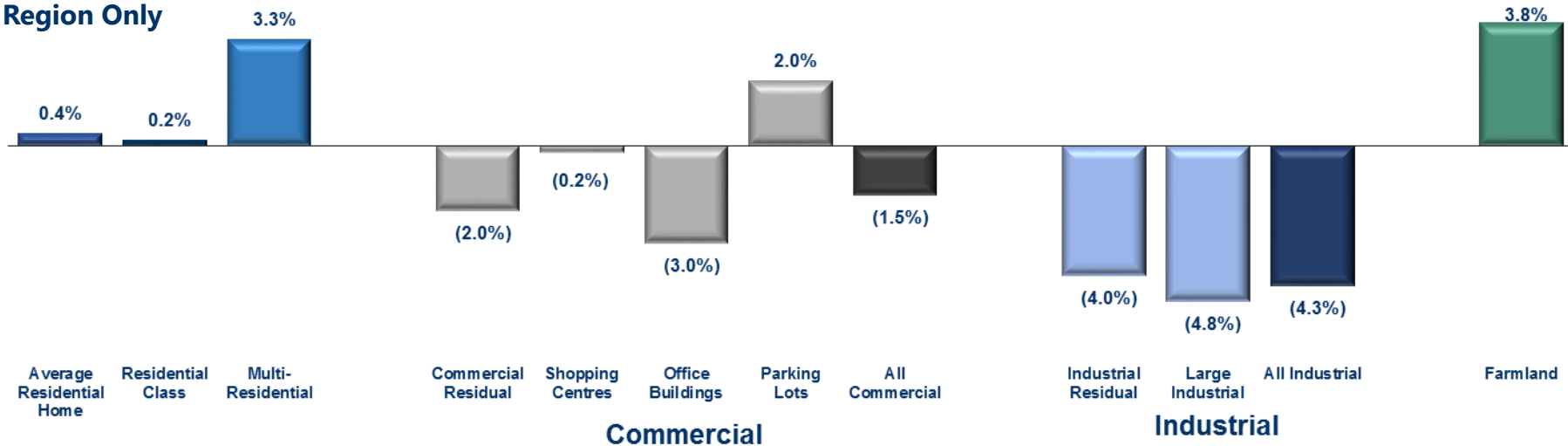


Regional Reassessment – 2018 Impacts

CVA Change

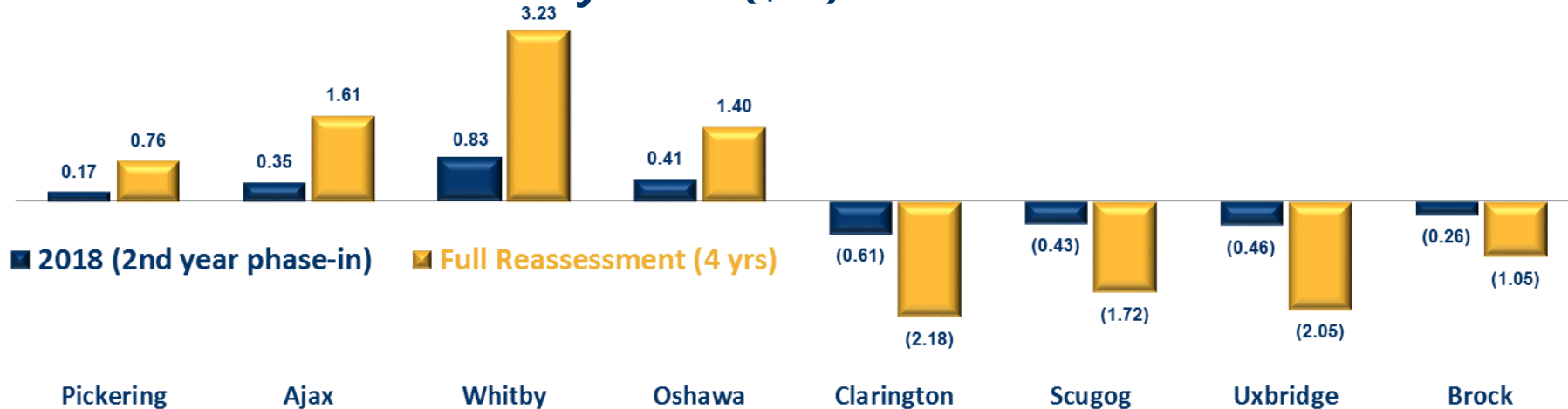


Property Tax Reassessment Impact Region Only

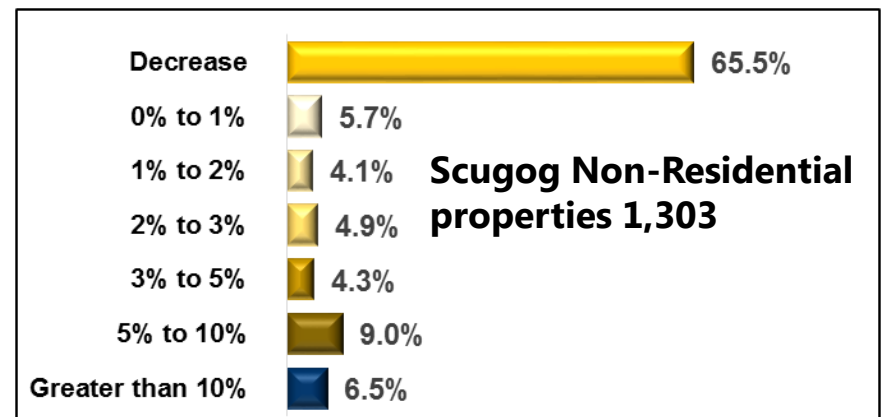
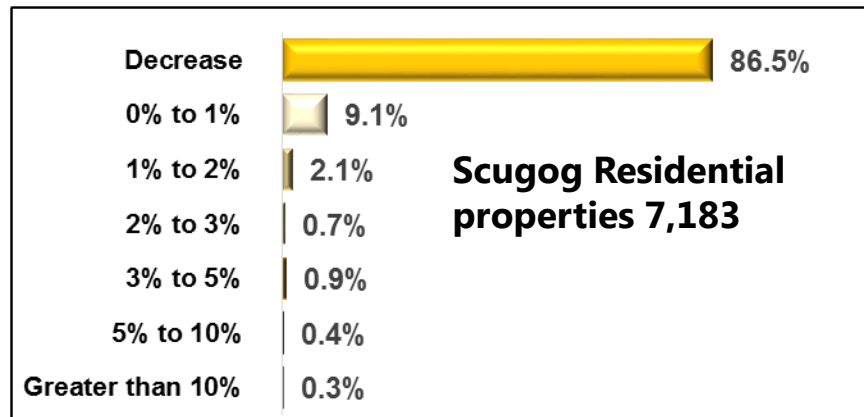


Assessment Base Trends

Reassessment Tax Shifts by Local (\$m)



2018 Regional Reassessment Tax Changes Frequency Distribution



Regional Property Tax Budget Guideline



**Taxpayer Affordability
& Competitiveness**

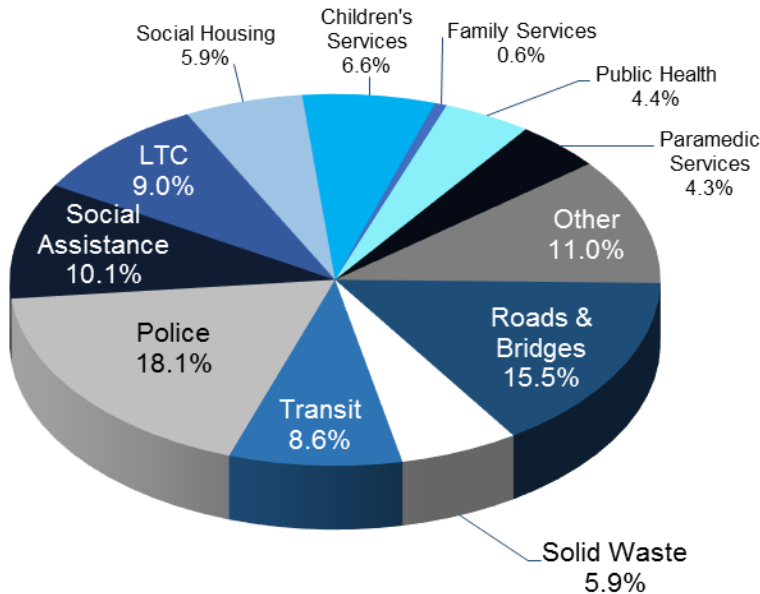
**Annualization of 2017
Items**

**Maintain & Increase
Service Levels**

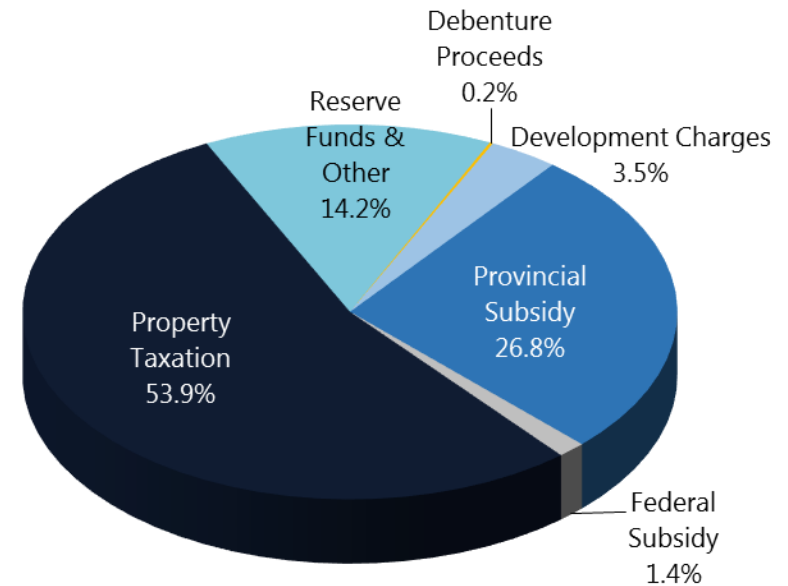
PRIORITIZED AFFORDABLE BUDGET

2018 Approved Gross Property Tax Budget

Expenditures \$1.2 billion



Revenue \$1.2 billion



(\$1.6 billion including Water/Sewer)

Regional Assets \$13.2b



Transportation
\$3.4b



Facilities
\$1.0b



Fleet & Equipment
\$0.3b



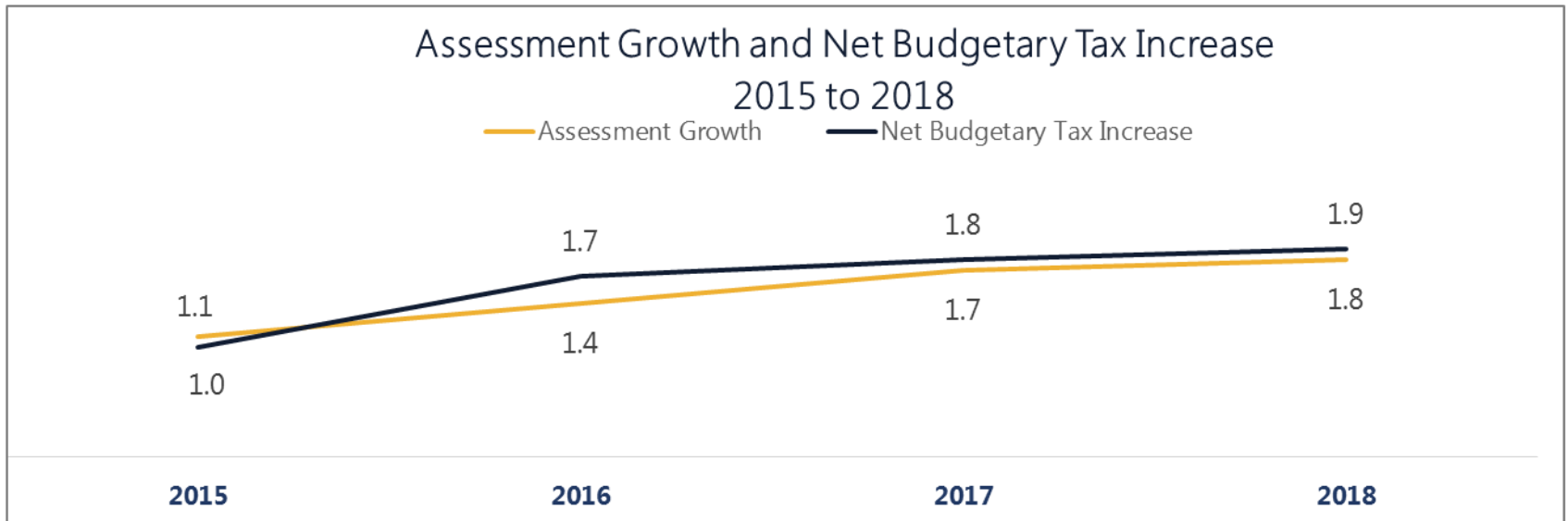
Water Supply
\$4.0b



Sanitary Sewerage
\$4.5b

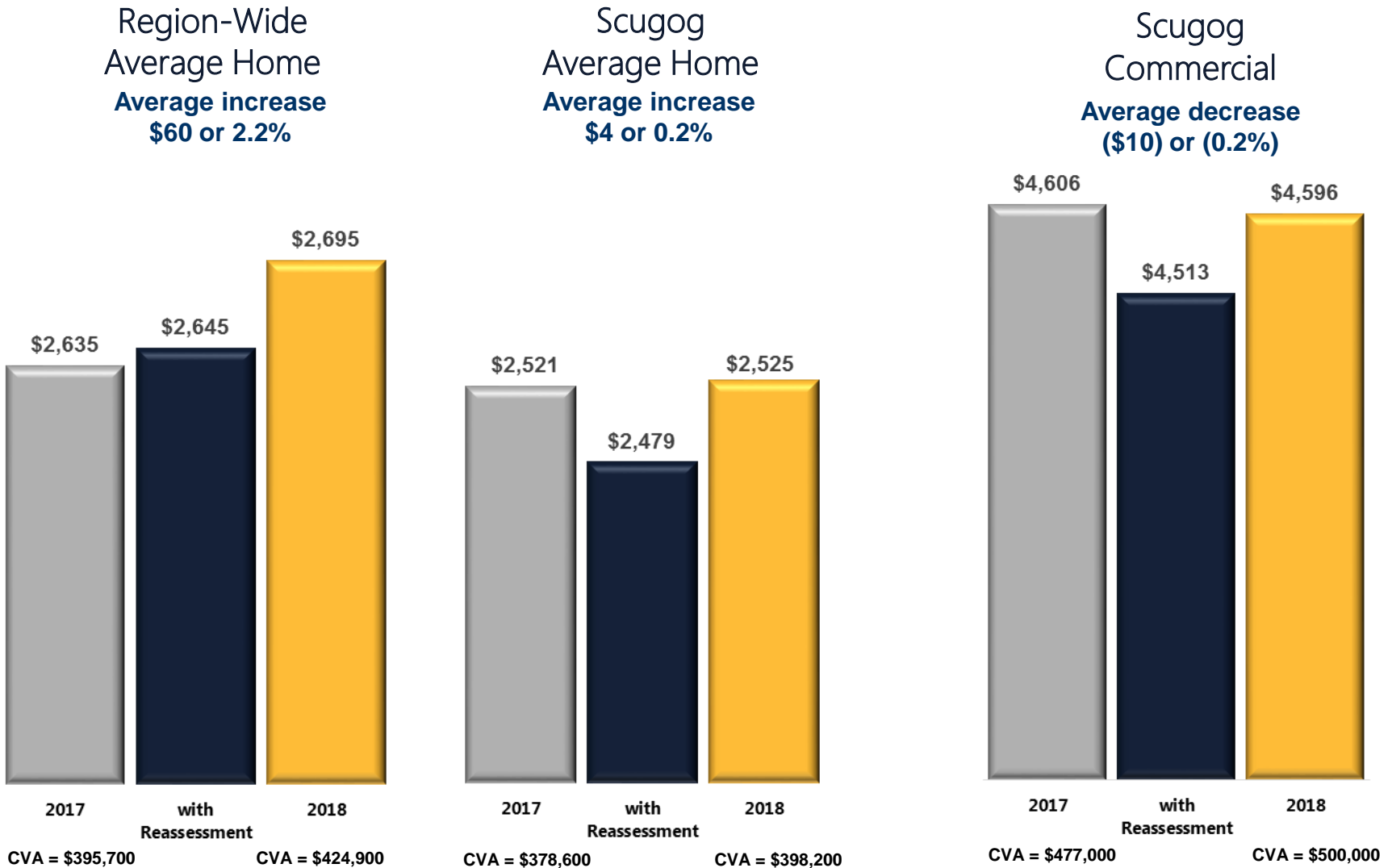
2018 Guideline Achieved

	2018 Increase (\$ millions)	Tax Impact (per cent)
Net Budget Increase	22.37	3.60
Assessment Growth—Budgetary		(1.80)
Seaton Growth Reserve Fund		0.10
2018 Net Property Taxpayer Impact		1.90

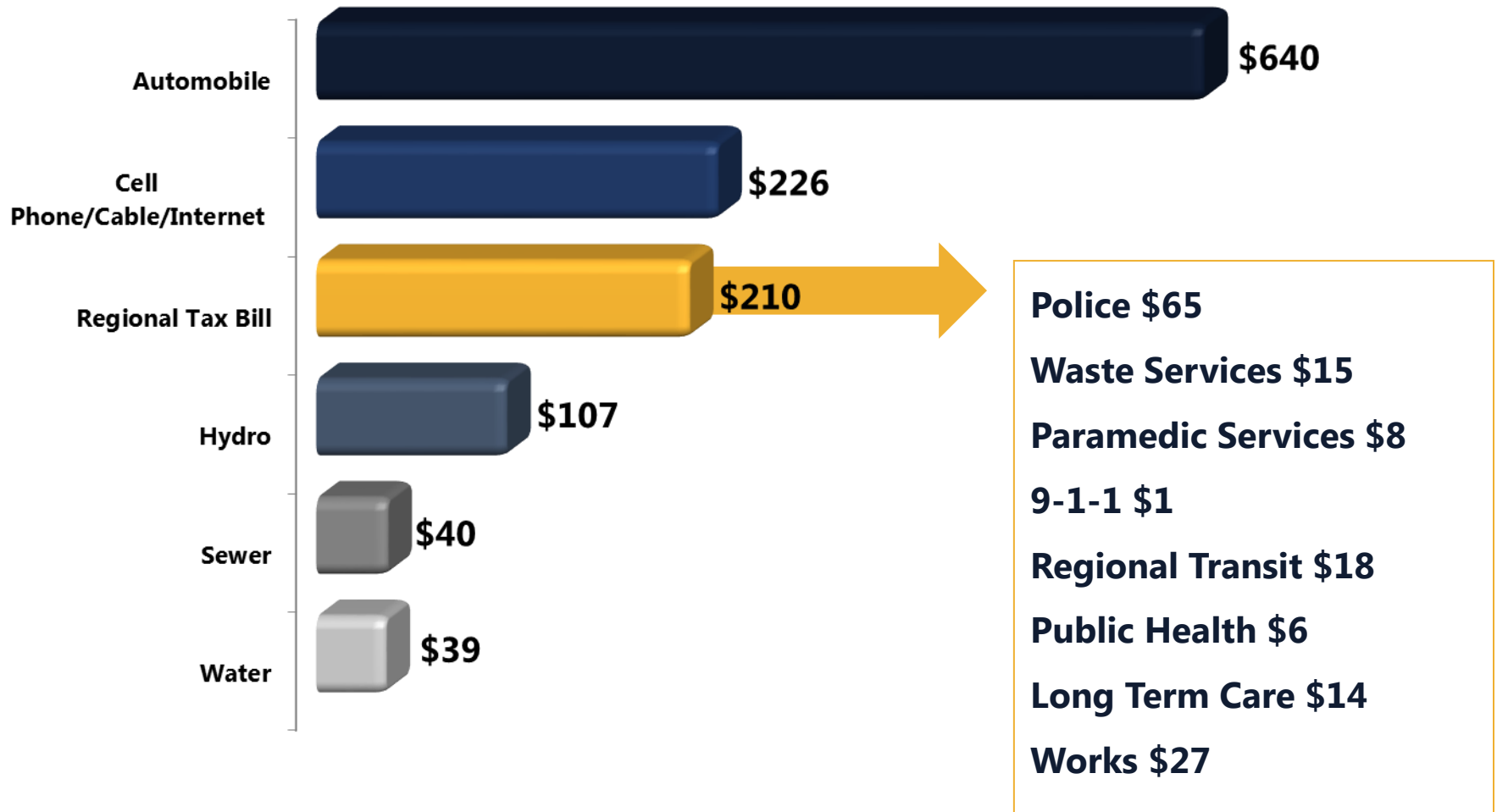


2018 Regional Taxation

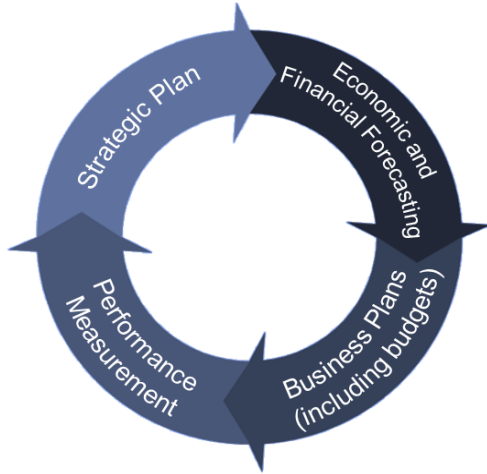
Estimated 2018 Property Tax Bills (with reassessment impacts)



Scugog Average Home (CVA = \$398,200) 2018 Monthly Household Regional Tax Impact



Business Planning Process



"The Region's forward looking financial planning for operating and capital plans allow it to identify and address anticipated pressures early on."

**-Moody's Investors Service,
January 9, 2018**

June

Asset Management Study

October

Multi-Year Economic & Financial Forecast and Guideline

November-January

Business Planning
Servicing & Financing Studies

January-February Approval

Business Plans & Budgets
Property Tax Strategy
Multi-Year Forecast

2018 Budget Financing Strategies



- Seaton
- Federal Gas Tax
- Hospice/Hospital
- Asset Management Planning
- Reserve Funds
- Property Tax Strategy
- Land Management for Conservation Authorities

Thank You
