

Clause 5 in Report No. 18 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on December 15, 2016.

5

2017-2018 Budget – York Region Rapid Transit Corporation

1. Receipt of the presentation by Mary-Frances Turner, President, York Region Rapid Transit Corporation.
  2. Adoption of the following recommendations contained in the report dated November 16, 2016 from the Commissioner of Finance recommending that:
    1. The Committee of the Whole recommends the budget as submitted for York Region Rapid Transit Corporation as follows:
      - a) The 2017 operating budget and the outlook for 2018, as summarized in Attachment 1
      - b) The 2017 capital expenditures and the 2017 Capital Spending Authority, as summarized in Attachment 2.
    2. The recommended budget be consolidated by the Treasurer for consideration by Council on December 15, 2016.
- 

Report dated November 16, 2016 from the Commissioner of Finance now follows:

## 1. Recommendations

It is recommended that:

1. The Committee of the Whole recommends the budget as submitted for York Region Rapid Transit Corporation as follows:
  - a) The 2017 operating budget and the outlook for 2018, as summarized in Attachment 1
  - b) The 2017 capital expenditures and the 2017 Capital Spending Authority, as summarized in Attachment 2.
2. The recommended budget be consolidated by the Treasurer for consideration by Council on December 15, 2016.

## 2. Purpose

This report provides a summary of the 2017-2018 Operating and Capital Budget for York Region Rapid Transit Corporation for consideration by Committee.

## 3. Background and Previous Council Direction

On December 17, 2015 Council approved an operating outlook for 2017 and 2018

As part of the 2016-2018 Budget, Council approved an outlook for the operating budget for 2017 and 2018. This approved outlook formed the starting point for this year's budget. Evolving circumstances and emerging pressures are a natural part of a multi-year budget process. Absent of extraordinary pressures, departments and agencies were expected to stay within their outlook. The 2017-2018 operating budget reflects any revisions that have been made to the previously approved outlook.

The 2017 Budget was tabled on November 17, 2016

The consolidated 2017-2018 Operating and Capital Budget was tabled with Council on November 17, 2016. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

The 2017 Budget Direction report, approved by Council on May 19, 2016, outlined in the proposed timelines and indicated that the 2017-2018 budget

would be approved in December 2016, as long as Council is satisfied with it through the review process.

A two-year operating budget was tabled for Council's consideration

The operating budget presented is a two-year budget that spans the remaining years of Council's term. Council is asked to approve the budget for 2017 and the outlook for 2018. The approved outlook will then form the basis for the budget process next year. Council has the authority to change the budget each year in response to changing circumstances and new information.

Multi-year commitments for capital projects are proposed as part of the budget process

Many complex capital projects span several years of planning, design and construction, requiring multi-year spending authority.

Capital Spending Authority is requested for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve multi-year Capital Spending Authority for capital projects.

#### 4. Analysis and Implications

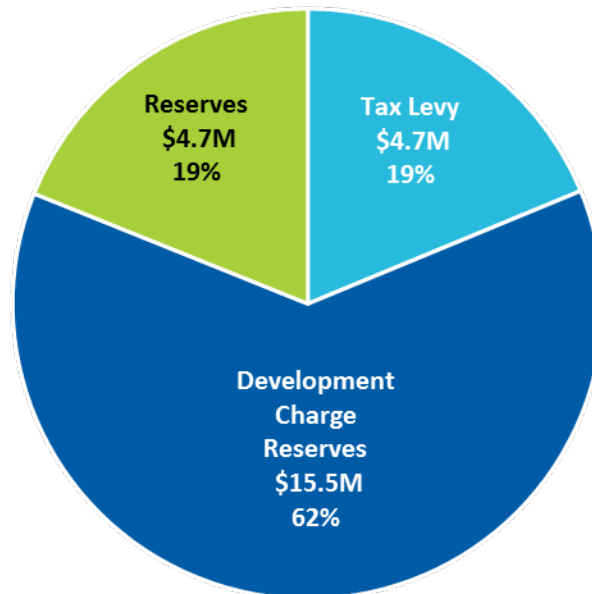
Operating Budget (page 90)

Tax levy funds 19% of York Region Rapid Transit total spending

The budget shows both the gross operating expenditures (total budget) and the net tax levy (the portion of the budget paid for by the tax levy).

York Region Rapid Transit total gross budget for 2017 is \$24.9 million. As shown in Graph 1 below, the tax levy pays for 19% of the services provided by the agency. The rest of the funding largely comes from draws from the development charge reserve, which are used to repay debt.

**Graph 1**  
**Gross expenditures of \$24.9 million are primarily funded from development charge reserve draws**



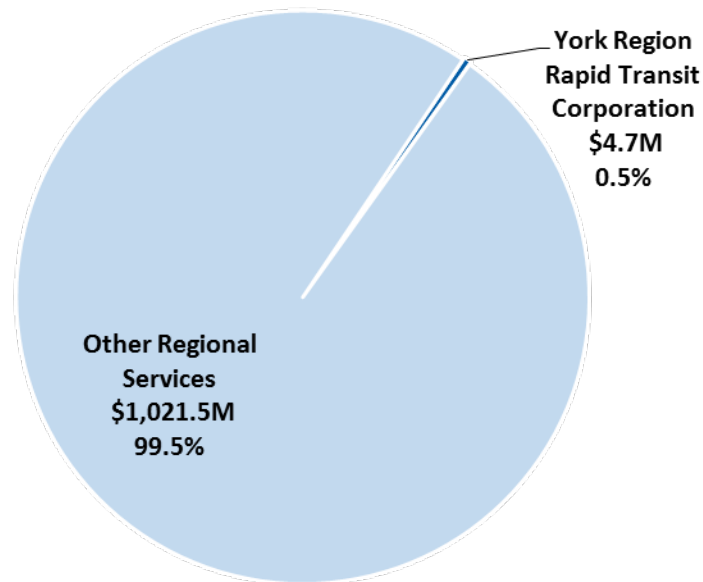
The proposed budget for York Region Rapid Transit Corporation reflects net operating expenditures of \$4.7 million in 2017

The 2017-2018 Operating Budget includes the cost of providing:

- Base services
- Legislated and contractual requirements
- Fiscal strategy requirements
- Impact of capital
- Growth
- Service enhancements.

The proposed net budget for York Region Rapid Transit Corporation is \$4.7 million, or 0.5% of the total 2017 proposed Regional net operating budget as shown in Graph 2 below.

**Graph 2**  
**York Region Rapid Transit accounts for 0.5% of the tax dollar**



The proposed budget also includes an outlook for 2018.

Table 1 in Attachment 1 summarizes the proposed gross and net operating budgets for 2017 and the outlook for 2018.

York Region Rapid Transit is within the approved outlook for all years

York Region Rapid Transit proposed 2017 budget and outlook for 2018 is within the outlook approved as part of the 2016 to 2018 Budget.

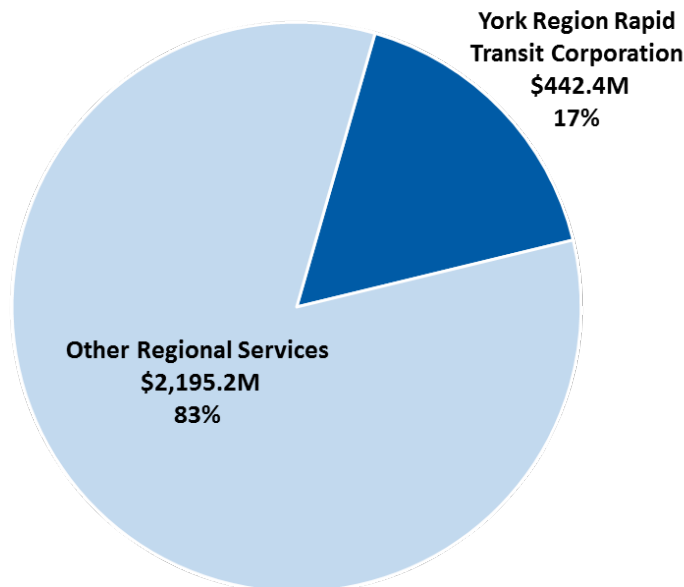
Capital Budget (page 92)

Approval of the 2017 capital expenditures of \$310.4 million and Capital Spending Authority of \$442.4 million is requested for York Region Rapid Transit Corporation

The capital budget includes new infrastructure projects in support of growth, rehabilitation and replacement of existing infrastructure and service enhancement.

The proposed Capital Spending Authority for York Region Rapid Transit Corporation is \$442.4 million, or 17% of the total 2017 Capital Spending Authority, as shown below in Graph 3.

**Graph 3**  
**York Region Rapid Transit accounts for 17% of 2017 Capital Spending Authority**



Attachment 2 summarizes the 2017 Capital Spending Authority by program and shows the associated financing sources for York Region Rapid Transit Corporation. Major initiatives include 'Facilities & Terminals' in support of the Viva bus rapid transit system, the completion of the Spadina Subway, and the planning and design of the Yonge Subway. Details on the individual projects included in the program groups are available in the 2017-2018 Budget book.

The budget is informed by Council-approved strategies and plans

The 2017-2018 budget for York Region Rapid Transit Corporation reflects the directions and strategies set out in Vision 2051, the York Region Official Plan and the Transportation Master Plan. The budget is also supportive of the objectives outlined in the 2015 to 2019 Strategic Plan.

## 5. Financial Considerations

The net operating budget for York Region Rapid Transit Corporation totals \$4.7 million in 2017 and includes an outlook for 2018, as summarized in Attachment 1. Council will have an opportunity to make adjustments to the outlook next year if required.

The proposed 2017 Capital Spending Authority reflects a multi-year commitment of \$442.4 million, as summarized in Attachment 2. Expenditures not identified as part of Capital Spending Authority, but contained within the Ten-Year Capital

Plan, are provided for planning purposes and will be brought forward for formal approval in subsequent budget years.

## 6. Local Municipal Impact

The Region provides essential services to the residents and businesses in York Region. The challenge of meeting growing demands for service and improving service delivery is addressed through the Region's business planning process. The Region's investments support local municipalities.

## 7. Conclusion

This report sets out the proposed 2017-2018 budget for York Region Rapid Transit Corporation. To facilitate the completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council for consideration on December 15, 2016.

For more information on this report, please contact Kelly Strueby, Director, Office of the Budget, at ext. 71611.

The Senior Management Group has reviewed this report.

November 16, 2016

Attachments (2)

7148672

Accessible formats or communication supports are available upon request.

## 2017 to 2018 Budget Summary for York Region Rapid Transit Corporation

### Proposed Operating Budget Expenditures

(in \$000s)

Department	Page No.	2017 Outlook		2018 Outlook	
		Gross	Net	Gross	Net
York Region Rapid Transit Corporation	91	24,884	4,667	31,535	4,441
<b>Total</b>		<b>24,884</b>	<b>4,667</b>	<b>31,535</b>	<b>4,441</b>

Note: Net operating expenditures = tax levy



**2017 Capital Expenditures and Capital Spending Authority (CSA)  
York Region Rapid Transit Corporation**

<b>York Region Rapid Transit Corporation</b>	<b>Page No.</b>	<b>2017 \$000s</b>	<b>2017 CSA \$000s</b>
<b>Project Expenditures:</b>			
York Region Rapid Transit Corporation	92	310,413	442,420
<b>Total</b>			
<b>Financing Sources:</b>			
Debt Reduction Reserve	92	3,438	3,438
Reserves	92	45,807	79,919
Debenture Proceeds	92	117,209	117,209
Development Charge Reserve Draws	92	58,464	91,602
Grants and Subsidies	92	85,485	138,242
Other Recoveries	92	10	12,010
<b>Total Financing Sources</b>		<b>310,413</b>	<b>442,420</b>

# 2017 Multi-Year Capital & Operating Budget

Presentation to  
**Committee of the Whole**

Mary-Frances Turner, President, York Region Rapid Transit Corp.  
December 1, 2016



# Overview of Presentation

**Part 1:** Overview of York Region Rapid Transit Corporation and Rapid Transit Achievements

**Part 2:** 2017 Multi-Year Capital and Operating Budget

**Part 3:** Budget Recommendations



**Part 1:  
Overview of  
York Region Rapid Transit Corporation  
and  
Rapid Transit Achievements**

# Overview of York Region Rapid Transit Corp.



## YRRTC mission

Our mission is to design and deliver an exceptional rapid transit system attracting, moving and connecting people to York Region's urban centres and destinations.

YRRTC – a wholly-owned subsidiary of York Region. The Board of Directors comprises of:



Chairman of the Board  
**Frank Scarpitti**  
Mayor  
Markham



Vice-Chairman of the Board  
**Maurizio Bevilacqua**  
Mayor  
Vaughan



Director & CEO  
**Wayne Emmerson**  
Chairman and CEO  
The Regional  
Municipality of York



Director  
**Dave Barrow**  
Mayor  
Richmond Hill



Director  
**Tony Van Bynen**  
Mayor  
Newmarket



Director  
**Jim Jones**  
Regional and  
Local Councillor  
Markham



Director  
**Vito Spatafora**  
Regional and Local  
Councillor/Deputy Mayor  
Richmond Hill

## Executive Management Team



President  
Mary-Frances Turner



Chief Financial  
Officer and  
Treasurer  
Michael Cheong



Chief Engineer  
Paul May



Design Chief,  
Infrastructure and  
Development  
Carolyn Ryall



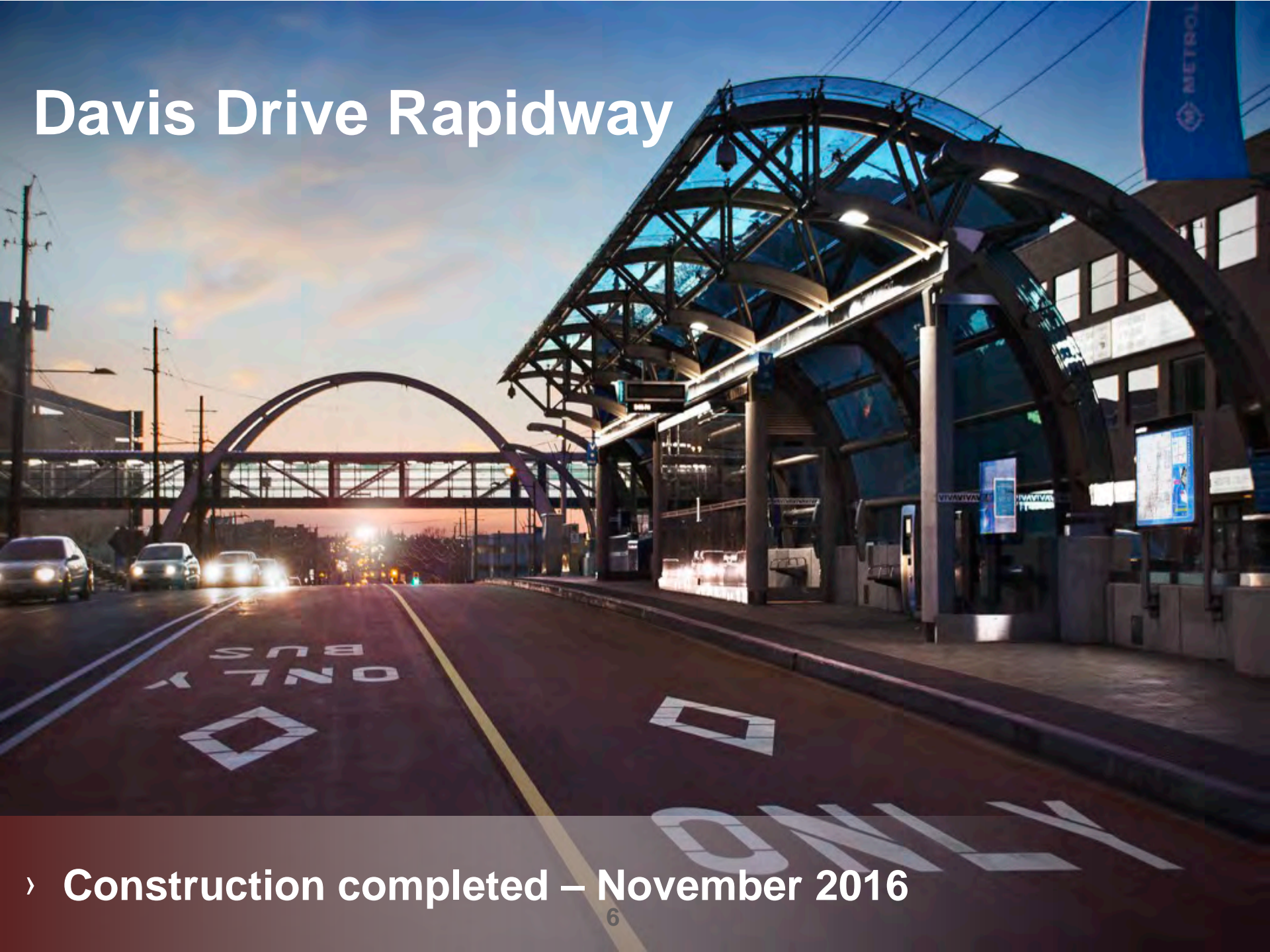
Chief  
Communications  
Officer  
Dale Albers

# Highway 7 East Rapidway



› Warranty work completed – October 2016

# Davis Drive Rapidway



› Construction completed – November 2016

# Highway 7 West Rapidway



- › Rapidway east of Jane Street complete  
December 2016



# Highway 7 West Rapidway - Vaughan Metropolitan Centre vivastation



- › Construction on the VMC Spadina Subway vivastation started in August 2016 and will open in early 2018

# Yonge Street Rapidway



- › Utility work is ongoing – gas main work completed in Newmarket,
- › Telecommunications & hydro work continues along Yonge Street

# Hwy . 7, Bathurst and Centre Street Rapidway



- › Bathurst Street water main replacement work is complete
- › Centre Street water main replacement and gas main installation under way

# Operations, Maintenance and Storage Facility



› LEED Silver certification received – September 2016

# Cornell Station



- › **Design and engineering underway, and the Construction Contract will be procured in early 2017**

# SmartREIT Terminal VMC Station



**Construction Contract awarded – October 2016**

# Toronto-York Spadina Subway Extension



© Toronto Transit Commission 2016

Toronto Transit Commission 2016

- › Station work at Pioneer Village, 407, and the Vaughan Metropolitan Centre Stations are approximately 90% complete

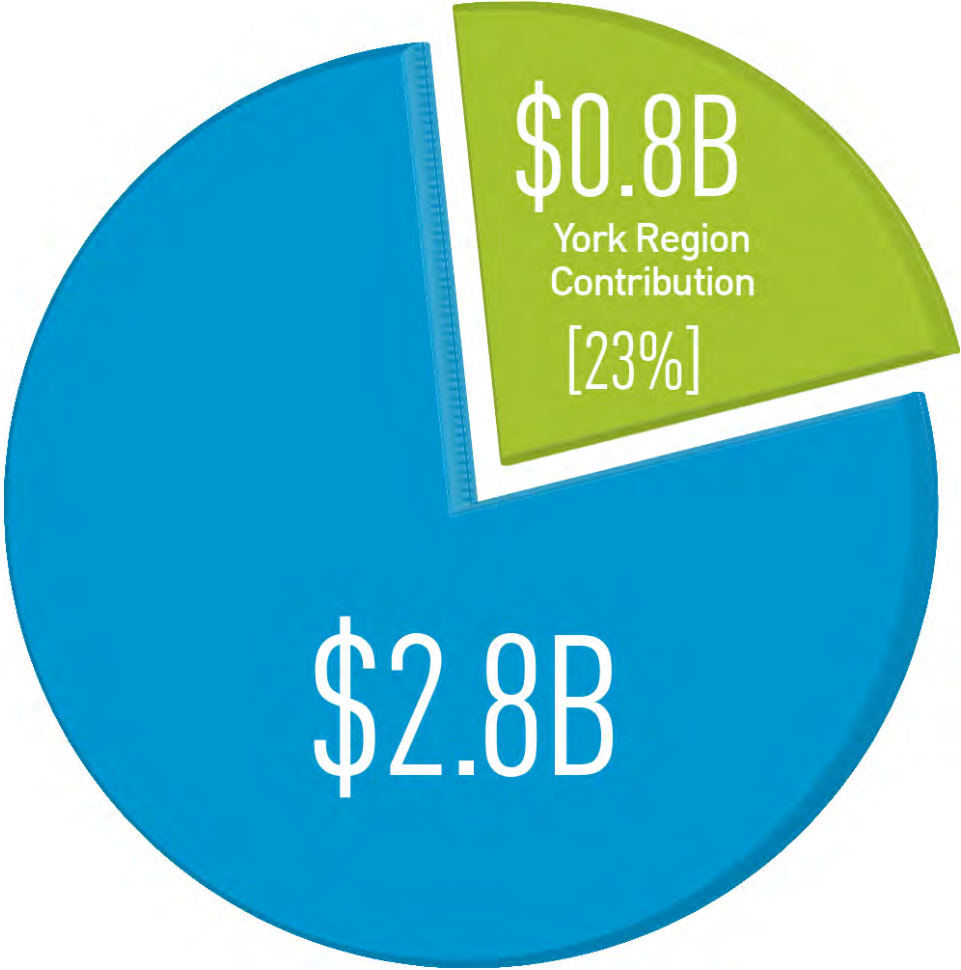
# Yonge Subway Extension



> The Yonge North Subway Extension project is moving forward with preliminary engineering

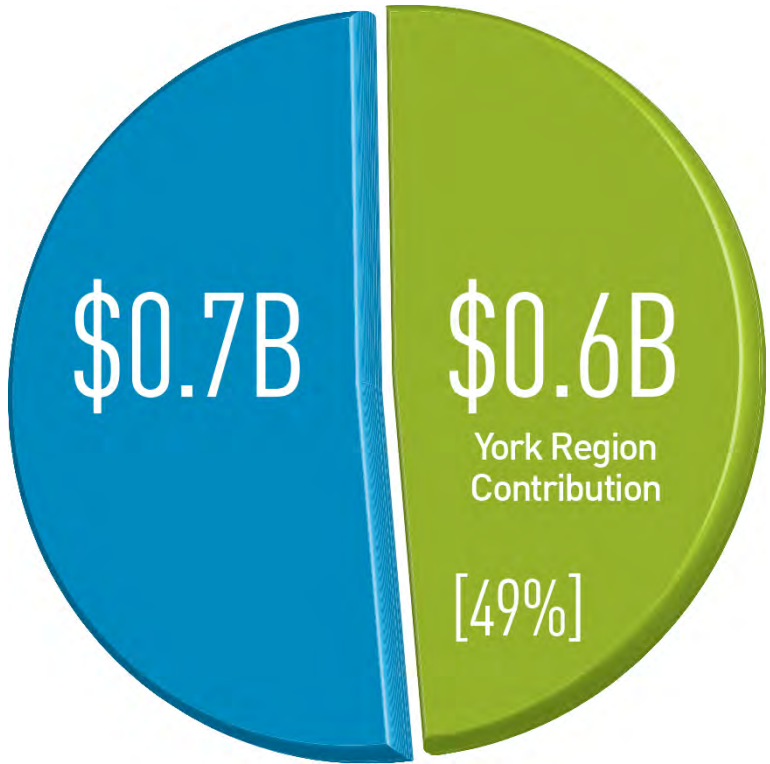


# Rapid Transit Funded Program, \$3.6B

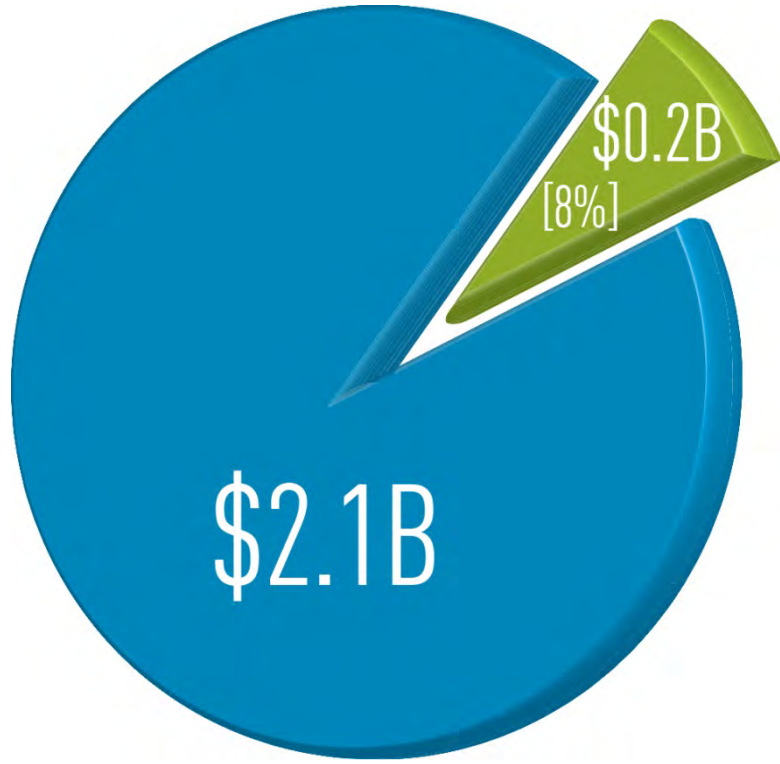


# Rapid Transit Funded Program, \$3.6B

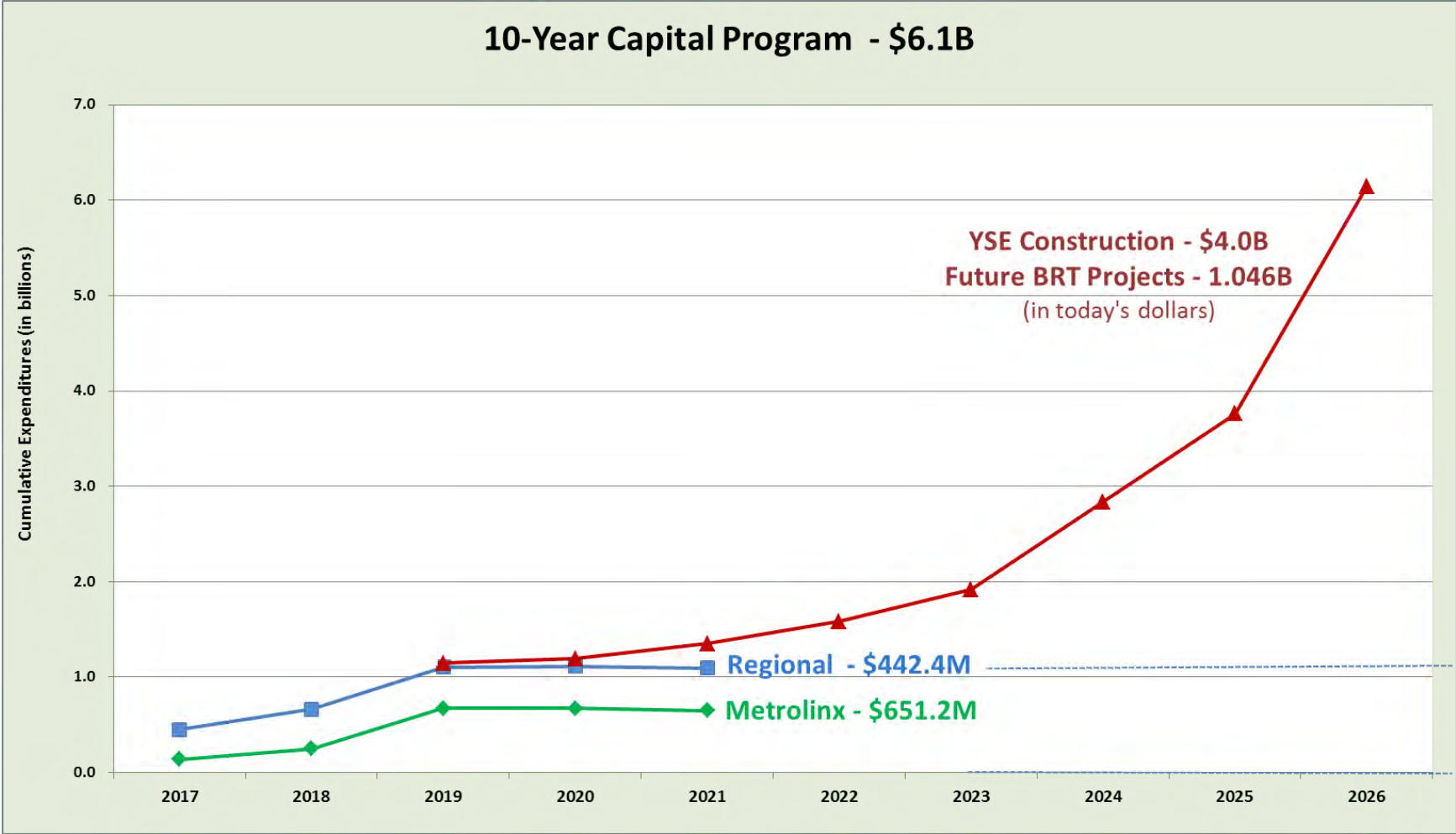
**TYSSE Project  
in the Region \$1.3B**



**BRT Rapidways,  
Facilities and Terminals \$2.3B**



# 10-Year Capital Program, \$6.1B



# **Part 2: 2017 Multi-Year Capital and Operating Budget**

# Proposed Regional Budget at a Glance

	Approved in 2016 (for 2017)	Proposed in 2017 (for 2017)
<b>Operating Budget</b>	<b>\$4.9M</b>	<b>\$4.7M</b>
<b>Ten-Year Capital Plan</b>	<b>\$146.4M</b>	<b>\$442.4M</b>
<b>2017 Capital Spending Authority</b>	<b>\$135.9M</b>	<b>\$442.4M</b>
<b>2017 Capital</b>	<b>\$93.4M</b>	<b>\$310.4M</b>



# Operating Budget Summary

	2016 Approved	2017 Proposed	2018 Outlook
Operating Expenditures (\$M)	35.3	39.0	45.6
Allocations and Recoveries (\$M)	(11.1)	(14.1)	(14.1)
Gross Expenditures (\$M)	24.2	24.9	31.5
Non-Tax Revenues (\$M)	(16.3)	(20.2)	(27.1)
Net Expenditures / Tax Levy (\$M)	7.9	4.7	4.4
Increase/(Decrease) (Year-over-Year) 2016 Approved Outlook	-	(40.8%) (40.8%) ↓	(4.8%) (4.8%) ↓
Total FTEs *	48.0	48.0	48.0
New FTEs *	-	-	-
2016 Approved Outlook New FTEs *	-	-	-

Top two charts on



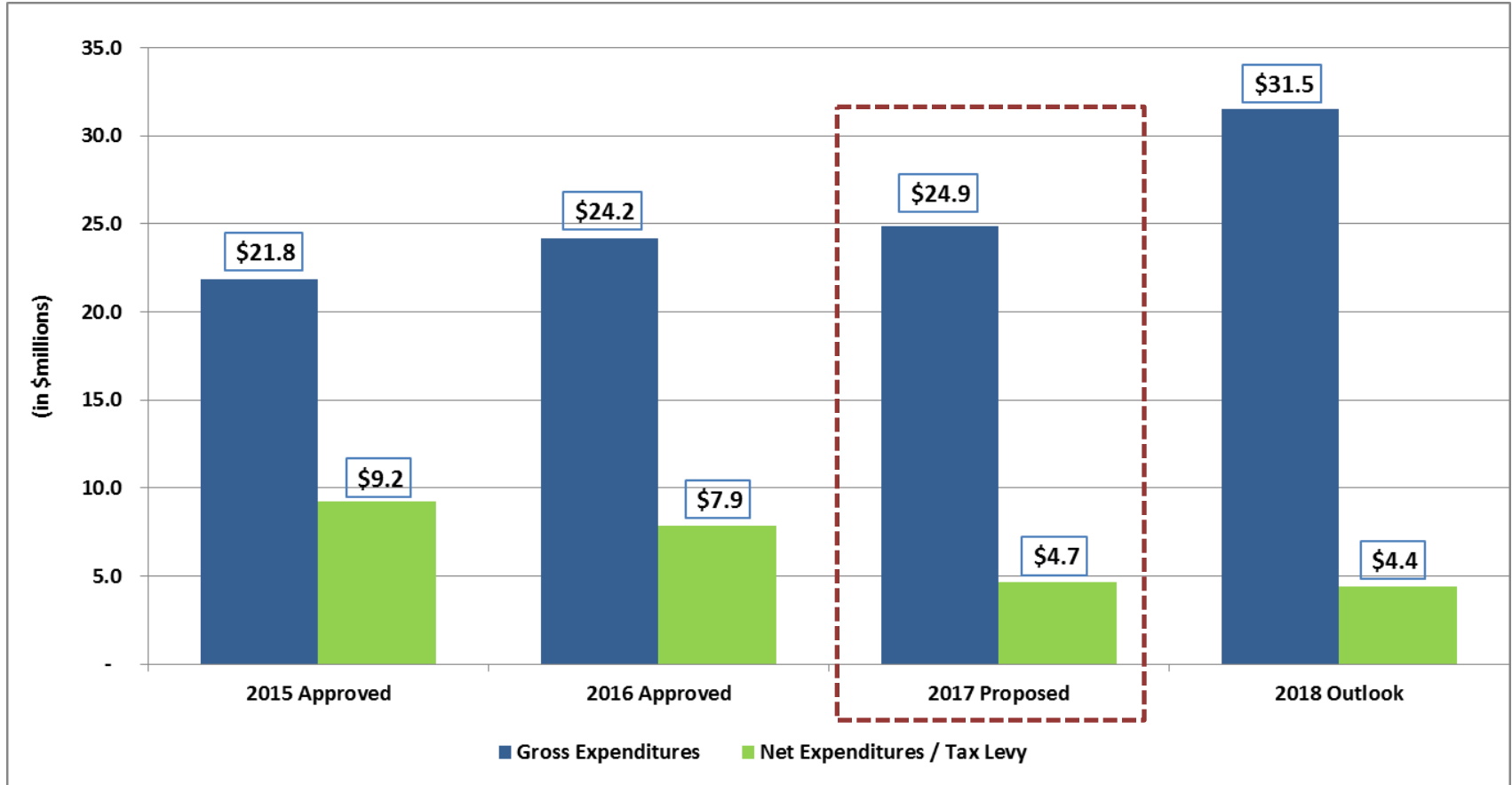
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\* FTEs = Regular Full-Time Staff at YRRTC; Temporary Full-Time Staff not included – 52

# Operating Budget Summary

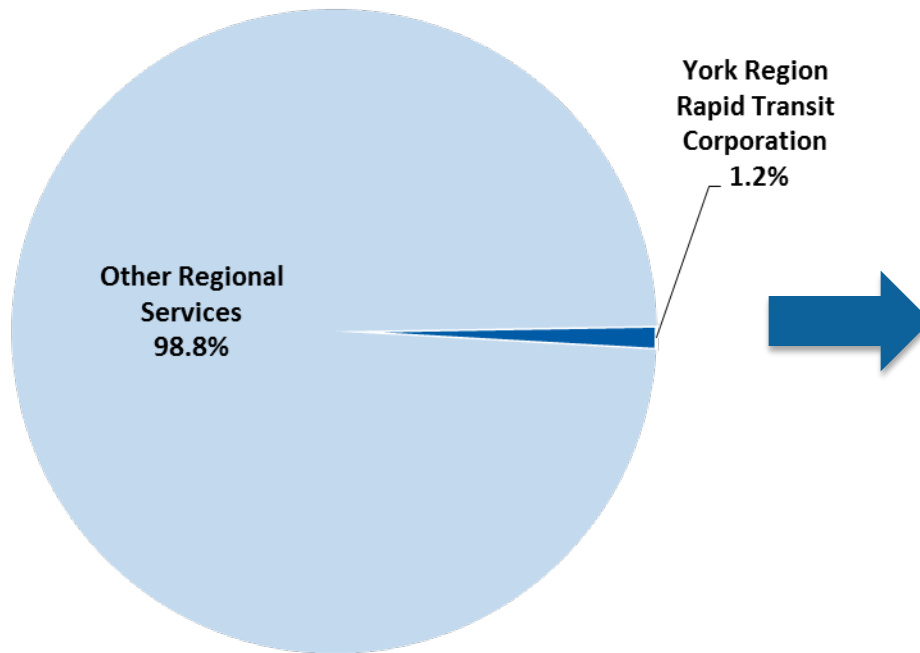
## 4-year Operating Budget Spending



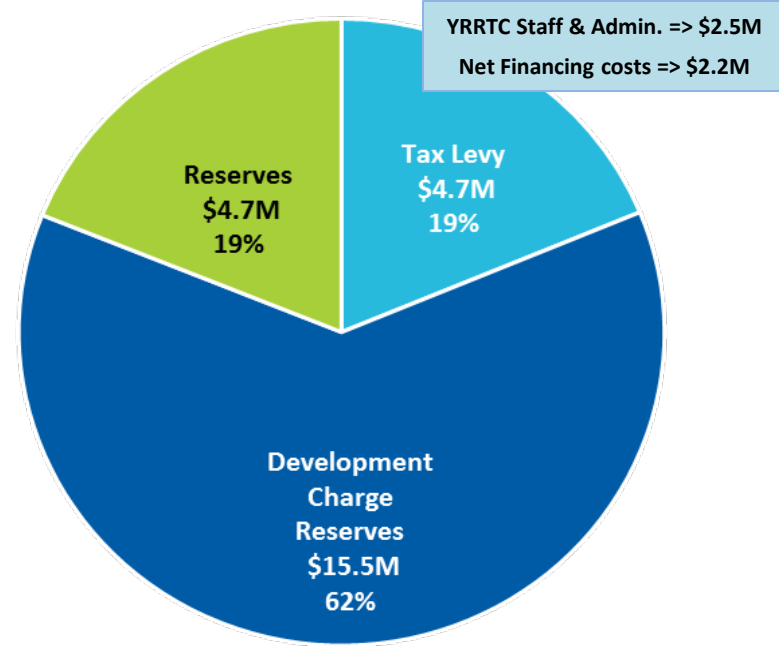
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# 2017 Gross Operating Budget

**YRRTC  
Gross Operating Budget  
\$24.9M**



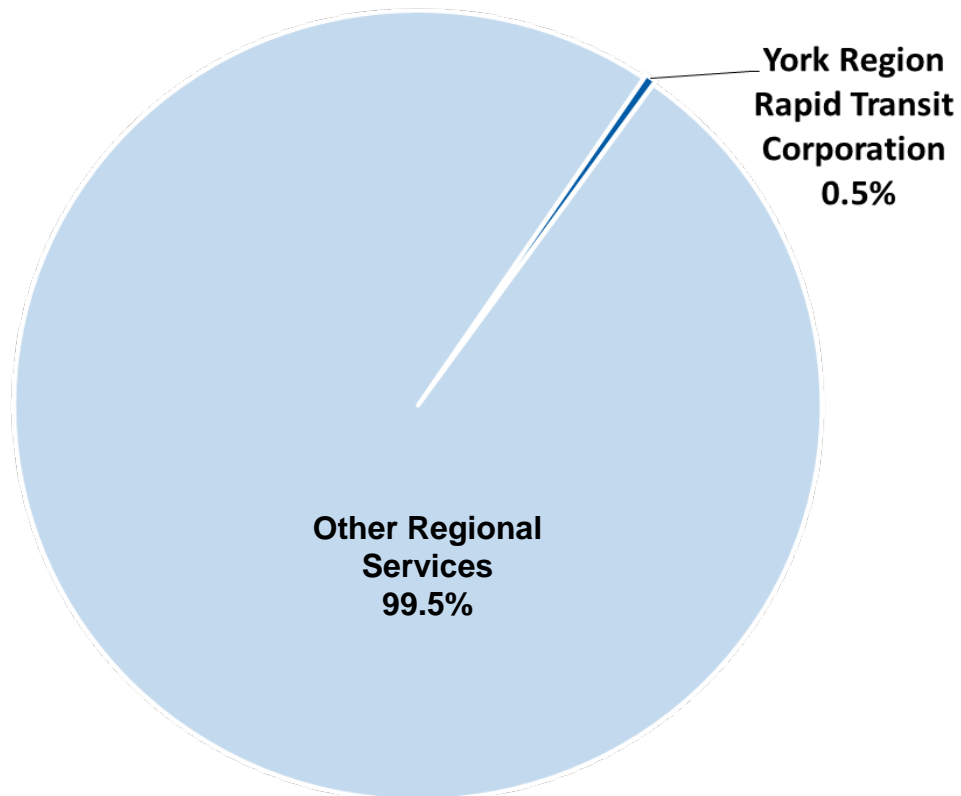
**YRRTC  
Funding Sources  
\$24.9M**





# 2017 Net Operating Budget

## YRRTC Net Operating Budget \$4.7M



# Proposed Capital Budget

Capital Plan & Budget (\$ Millions)	Regional
<b>Total Regional Funded Program</b>	<b>\$1,694.6</b>
<b>Ten-Year Capital Plan</b>	<b>\$442.4</b>
<b>2017 Capital Spending Authority</b>	<b>\$442.4</b>
<b>2017 Capital</b>	<b>\$310.4</b>

Appendix section

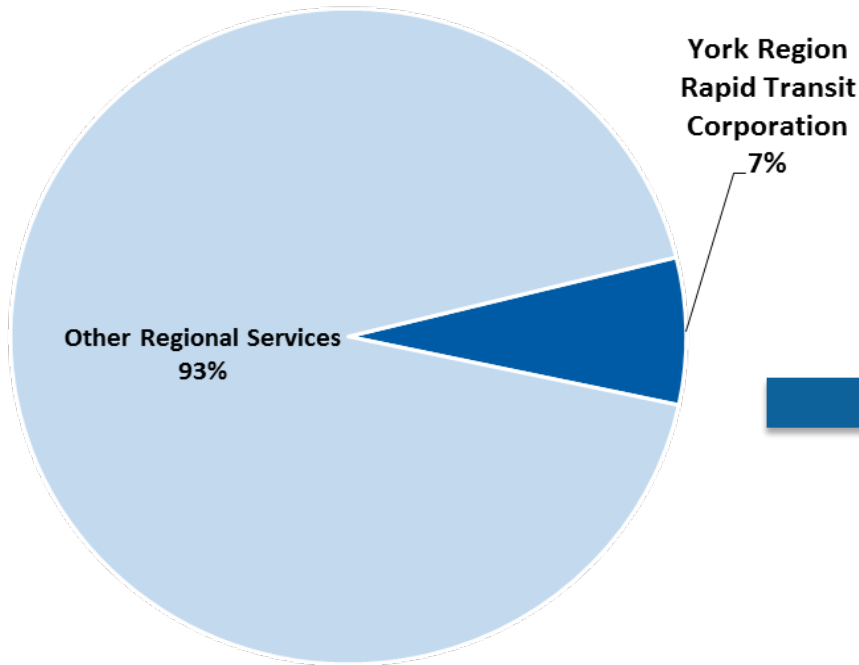


Top chart

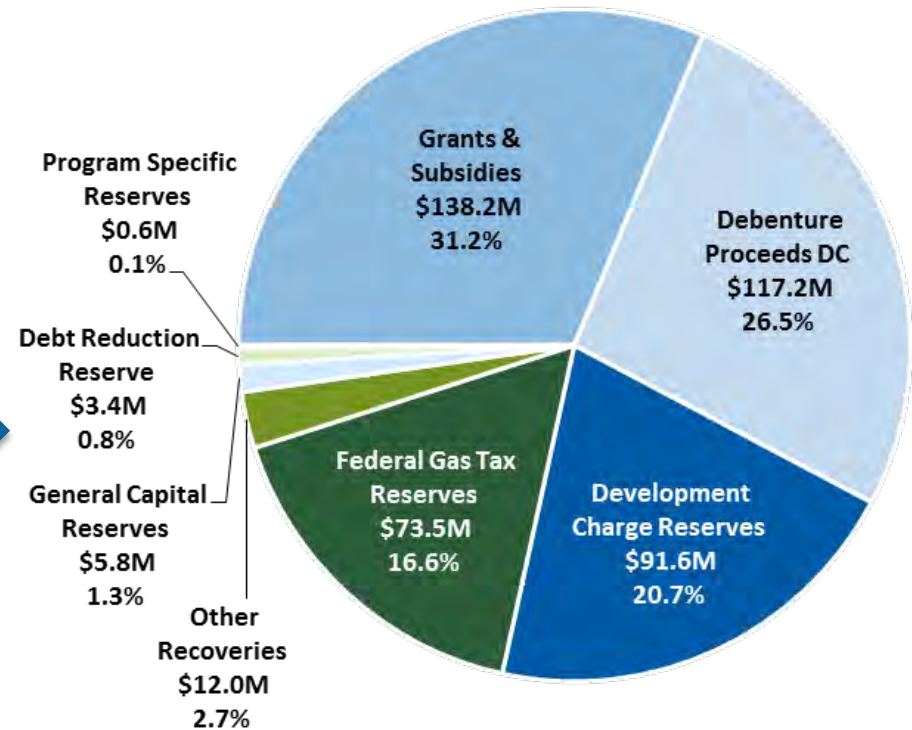


# 2017 CSA and Funding Sources, \$442.4M

**YRRTC  
10-Year Capital Plan & CSA  
\$442.4 Million**



**YRRTC  
Funding Sources  
\$442.4 Million**



# 2017 CSA, \$442.4M

Current Funded Capital Programs (in \$ Millions)	Regional Capital Program (in \$ Millions)	% Total Program
BRT Facilities & Terminals	\$219.9	13.0%
BRT Rapid Transit Vehicles	\$46.6	2.8%
Toronto-York Spadina Subway Extension	\$1,329.2	78.4%
Yonge Subway Extension – Studies	\$95.6	5.6%
Rapid Transit Initiatives	\$3.2	0.2%
<b>Total Capital Programs</b>	<b>\$1,694.6</b>	<b>100.0%</b>



Capital Spending Authority (in \$ Millions)	% CSA
\$63.2	14.3%
-	0.0%
\$287.1	64.9%
91.3	20.6%
\$0.8	0.2%
<b>\$442.4</b>	<b>100.0%</b>

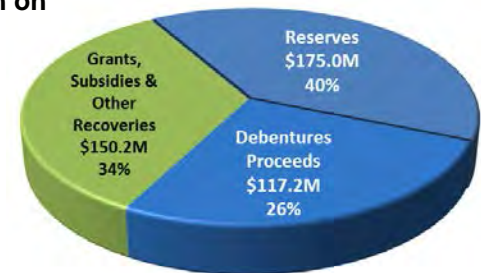


Appendix section on



Total Capital Programs – \$1.695 billion  
Total York Region Funded – \$764.8M

Appendix section on



Capital Spending Authority – \$442.4M  
York Region Funded – \$292.2M

# 2017 CSA: Facilities & Terminals, \$63.2M

**OMSF – \$0.3M**



**Cornell Terminal – \$21.2M**



**SmartREIT Terminal VMC – \$32.9M**



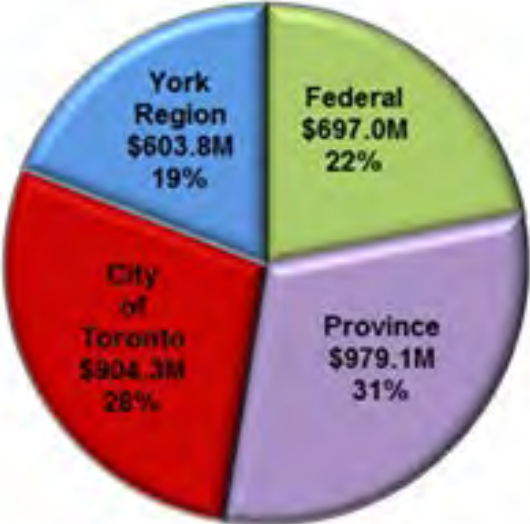
**Park 'n' Ride Facilities – \$8.9M**



- › Park 'n' Ride Facility at Warden Ave. & Enterprise Dr.
- › Other Facilities along Highway 7 West and Yonge St. under review

# 2017 CSA: TYSSE, \$287.1M

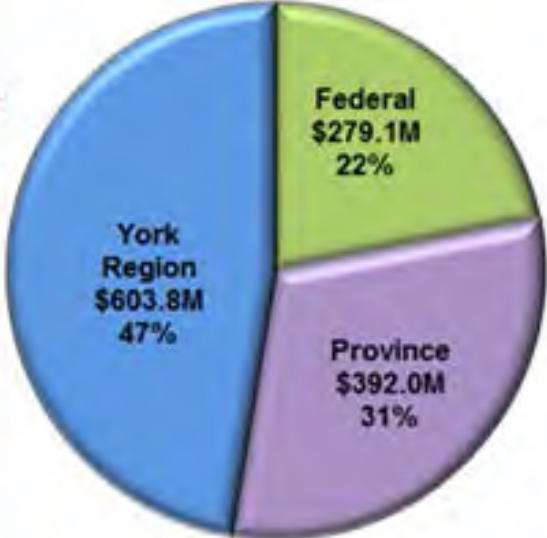
**Total TYSSE**  
**\$3.184 Billion**



40.04% York Region's Share



**TYSSE**  
**\$1.275 Billion**

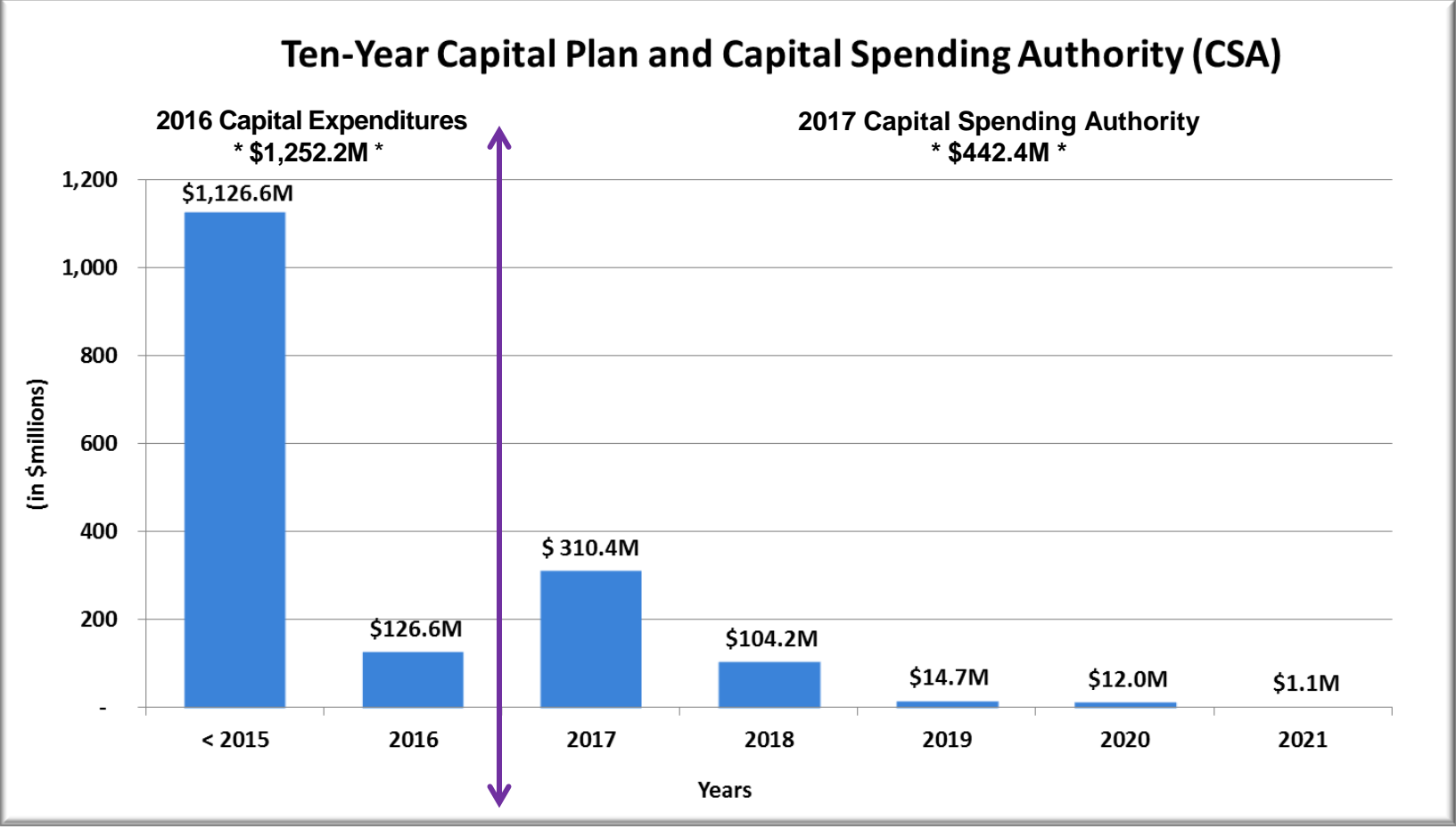


# 2017 CSA: Yonge Subway Extension, \$91.3M

## Key Objectives to Move Yonge Subway Extension Forward

- Establish interim governance and project management structure
- Execute memorandum of agreement
- Build project team organization
- Finalize work program
- Issue preliminary engineering study request for proposal [RFP]
- Establish communications & community relations plan
- Procure advisory services
- Secure PTIF funding
- Develop activity stream work plans
- Establish formal governance and project management structure

# Ten-Year Capital Plan and Capital Spending Authority





# Part 3: Budget Recommendations

# Budget Recommendations

1. The Committee of the Whole recommends the budget as submitted for YRRTC as follows:
  - a) The 2017 operating budget and the outlook for 2018, as summarized in Attachment 1
  - a) The 2017 Capital Expenditures and Capital Spending Authority, as summarized in Attachment 2
2. That the recommended budget be consolidated by the Treasurer for consideration by Council on December 15, 2016

**Thank you**