

MEMORANDUM

TO: Councillor Jim Jones, Chair, and Members of the Transit Committee
Mayor Don Cousens, Chair, and Members of the Finance and Administration Committee

FROM: Kees Schipper, Commissioner of Transportation and Works
Sandra Cartwright, Commissioner of Finance and Treasurer

DATE: December 1, 2004

RE: **2005-2014 CAPITAL BUDGET ITEMS ARISING FROM THE JOINT
TRANSIT/RAPID TRANSIT COMMITTEE MEETING OF NOVEMBER 11, 2004**

The following are the staff responses to the questions raised on November 11, 2004 meeting, regarding the 2005-2014 York Region Transit Capital Plan.

York Region Transit Capital Plan

- **Staff provide the cost implications of providing a reserve contribution towards the cost of certain items, i.e., transit garages and/or Smart Card program costs in the appropriate reserve in the 2005 budget;**

The concept of providing for annual contributions to be made to reserves for acquisition and replacement of capital assets is valid and with merit. Regional staff will be carrying out a Capital Asset Strategy as well as a Reserve Fund Adequacy review. Pending completion of these reviews, recommendations will be tabled for consideration to implement such a policy, within established standards and protocols and commence including annual allocations in the respective department operating budgets for this purpose in 2006.

- **Staff provide a response to the issue of the impact of deferring the fare box proposal.**

The possible deferral of the farebox capital program is not an option. This is a 2004 budget initiative which is already in progress and carries over into 2005. It is imperative to complete this initiative in order to standardize handling, improve data accuracy and address serious IT support issues. IT has significant difficulty in supporting the outdated DOS based operating system (instead of Windows) as well as the ancient 486 CPU hardware it runs on. This initiative also resolves the current non-GFI boxes in use in the Newmarket and Aurora area which lack reliable ridership data and also have cash related audit concerns.

KS/gl