Meeting of the Board of Directors
on November 1, 2012

To: **York Region Rapid Transit Corporation Board of Directors**

From: **Mary-Frances Turner, President**

Subject: YRRTC – Metrolinx Capital Plan and Capital & Operating Expenditures Budget

Ref: **YORK-#4436681**

Recommendations

It is recommended that:

1. The York Region Rapid Transit Corporation (YRRTC) Board of Directors endorse the 2013 Metrolinx Capital Budget of $277.2 million for YRRTC.

2. The York Region Rapid Transit Corporation (YRRTC) Board of Directors endorse the 2013 Metrolinx Operating Expenditures Budget of $11.8 million for YRRTC.

Purpose

- The purpose of this report is to seek the Board's endorsement of the Metrolinx 2013 Capital and Operating Expenditures Budget for YRRTC.

Background

The total funded Capital Plan for YRRTC is valued at $3.2 billion

- The YRRTC Funded Capital Plan and Capital & Operating Expenditures Budget for 2013 (see Table One) are being brought forward in two parts:

- Part One, which is the subject of a separate report on this agenda, seeks the necessary approvals of Regional Council related to the 2013 Capital & Operating Expenditures, which include Regional funded dollars

- Part Two, which is the subject of this report, seeks the endorsement of the YRRTC Board of Directors related to the 2013 Capital & Operating Expenditures for Metrolinx funded dollars

- The Regional Capital Plan of $1.4 billion for YRRTC is primarily driven by the shared funding agreements, which York Region entered into with the Provincial and/or Federal governments. York Region's contribution is $547.5 million or 38%.

- The Metrolinx Capital Plan - in April 2011, York Region entered into a Master Agreement with Metrolinx to deliver a $1.755 billion capital program, bringing the total Capital Plan - not requiring any funding from York Region - to $1.8 billion.

- In June 2012, the Metrolinx Board of Directors endorsed the revised schedule and cash flow to accelerate the delivery of the BRT Rapidways and Stations. Completion is projected to be by end of Q1 2018 as compared to the original timeline of Q1 2021.

Table One – Total YRRTC Funded Capital Plan

YRRTC Capital Plan (in $ millions)		Regional Program $$$	Metrolinx Program $$$	Total Program $$$
1.	BRT Rapidways & Stations	-	1,786.6	**1,786.6**
2.	BRT Facilities & Terminals	244.4	-	**244.4**
3.	Spadina Subway Extension	1,098.7	-	**1,098.7**
4.	Yonge Subway Extension	78.6	-	**78.6**
5.	Rapidway Studies	3.2	-	**3.2**
Total Capital $$$		**$ 1,424.8**	**$ 1,786.6**	**$ 3,211.4**
Total Regional Funded $$$		**$ 547.5**	**$ -**	**$ 547.5**

Analysis

The 2013 Metrolinx Capital Budget for YRRTC is $277.2 million

- The 2013 YRRTC / Metrolinx capital program delivery includes:

  - On-going construction on Highway 7 - from Richmond Hill Centre to Warden Avenue (H3) - $102.4 million
    - Richmond Hill Centre to Highway 404 in service by Q3 2013
    - Remaining in service by Q1 2014

  - On-going construction on Davis Drive - from Yonge Street to Highway 404 (D1) - $69.7 million
    - In service by Q4 2014

  - Start of construction on Highway 7 West – from east of Highway 400 to east of Bowes Road (H2 VMC) - $63.7 million
    - In service by Q4 2015

  - Work preparation for the remaining corridors - $41.4 million

    - Yonge Street - from Richmond Hill Centre to 19th Avenue (Y2.1 and Y2.2)

    - Yonge Street - from Mulock Drive to Davis Drive (Y3.2)

    - Highway 7 – from Richmond Hill Centre to Pine Valley Drive (H2)

    - Enterprise Drive – from Birchmount Road to just east of Kennedy Road (H3.4)

With the direction to accelerate the delivery of the BRT Rapidways and Stations program by Q1 2018, the 2013 Operating Budget of $11.8 million is built to support the implementation of this acceleration

- The 2013 Operating Budget is $11.8 million and includes the 16 additional YRRTC staff and expenses needed for the delivery of the above-noted Capital Budget – 6 of the 16 positions will be Regular Full-Time (RFTs) and the remaining 10 will be hired as Temporary Full-Time (TFTs).

- The 2013 Operating Budget also includes the recovery of expenses associated with the additional 8 Regional staff required (primarily hired as TFTs):

  - Property Services – 1 staff
  - Legal Services – 2 staff

- Transportation and Community Planning – 3 staff
- Supplies and Services – 2 staff

Financial Implications

- All Operating Expenditures are fully recoverable and do not have any financial implications for York Region.

- Approval from Metrolinx for the 2013 Capital & Operating Expenditures Budget is already in place with the execution of the Master Agreement in April of last year.

    - The 2013 Metrolinx Capital Budget is $277.2 million

    - The 2013 Metrolinx Operating Expenditures Budget is $11.8 million and fully recoverable

- York Region does not "cash-flow" the expenses of the Metrolinx program of $1.8 billion as Metrolinx advances the cash requirements on a semi-annual basis. The next cash advance will be received by end of this year, with the forecasted cash flow for 2013 already forwarded to Metrolinx – per the revised Schedule A of the Master Agreement.

Conclusion

- This report seeks the endorsement of the Board of Directors for the 2013 Metrolinx Capital & Operating Expenditures Budget for YRRTC.

For more information on this report, please contact Michael Cheong, Chief Financial Officer, York Region Rapid Transit Corporation at 905-886-6767, Ext. 1015.

Mary-Frances Turner
President

October 22, 2012

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