2012 Business Plan and Budget

Presentation to Transportation Services Committee

Kathleen Llewellyn-Thomas

November 30, 2011

Agenda

1. 2012 Budget Overview and Summary
2. 2011 Accomplishments
3. 2012 Key Performance Indicators
4. 2012 Operating and Capital Budget
5. Outlook Years

Share of the tax dollar

	$
Police	0.31
Transportation Services	**0.23**
Community & Health Services	0.18
Asset Replacement	0.06
Waste Management	0.05
Special Purposes Bodies	0.04
Corporate Services	0.04
Finance & IT Services	0.03
Other Corporate Management	0.02
GTA Pooling	0.02
York Region Rapid Transit Corporation	0.01
Regional Planning	0.01
	1.00

2012 Budget at a Glance

Operating Budget	$ Millions
Total Operating Expenses	288.2
Non-Tax Revenue	(95.1)
Net Operating	193.1
Proposed Tax Levy Increase	**0.1%**

Capital Budget	$ Millions
Total Capital Expenditures	180.4
Ten Year Plan	2,090.8
Total Project Budget Authority	459.0

Proposed tax levy increase of only 0.1%

0.1% Tax Levy Increase Despite Increased Costs of 7%

Costs have gone up 7% due to major items such as:

- YRT/Viva Contractor rates +$6.8 M
- Roads Contractor Rates +$0.7 M
- YRT/Viva Service Growth (including efficiencies) +$1.5 M

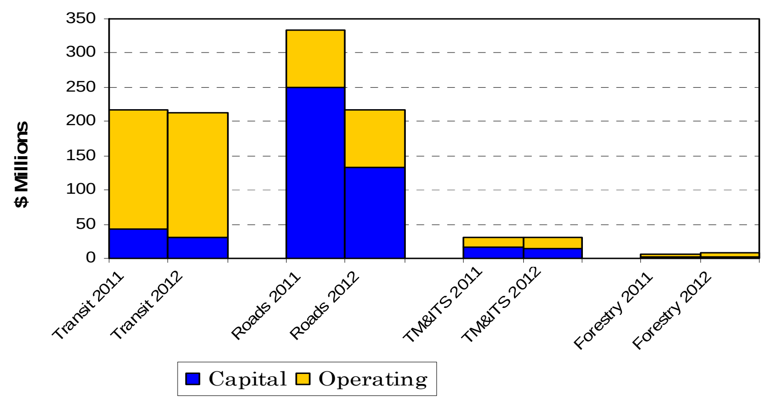
0.1% Tax Levy Increase Despite Increased Costs of 7%

Increase of 7% is offset by:

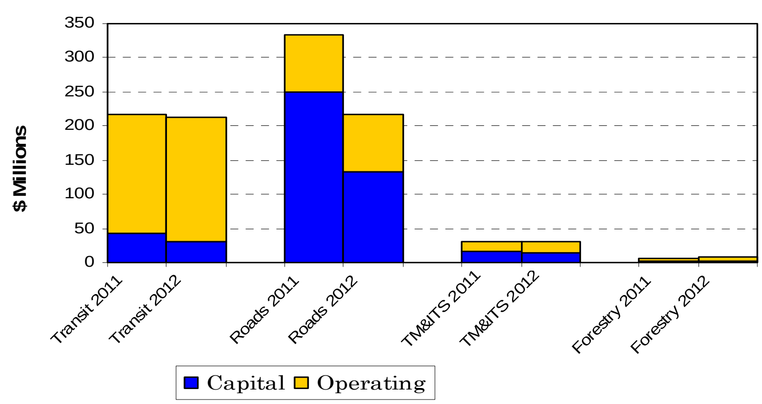
- Ridership growth and new 2012 fare have increased Transit revenues by $9.2 M
- Reduction in the capital program has reduced the need for tax funded capital by $1.4 M
- Lower than budgeted debt servicing costs has offset costs by $3.7 M
- Reduced insurance costs by $0.6 M

Net impact on the tax levy has been reduced to a 0.1% increase

2011 Budget Compared to Proposed 2012 Budget

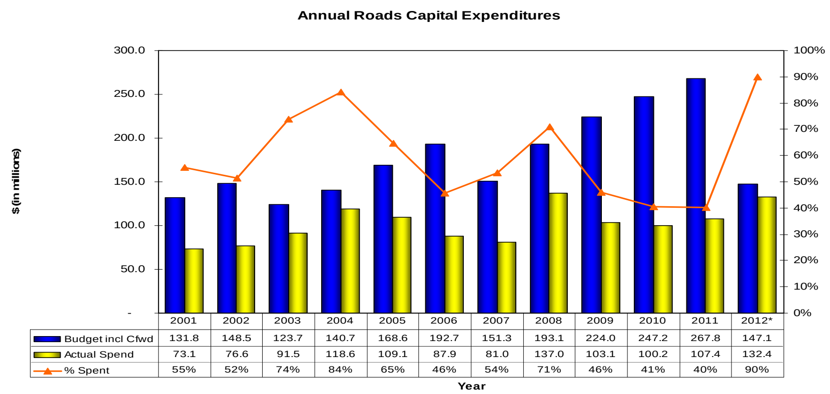


2011 Budget Compared to Proposed 2012 Budget



Biggest difference between 2011 Budget and Proposed 2012 is less Roads Capital Budget in 2012

Smooth Capital Spending 2012 and Beyond; To Drive Successful Delivery on Approved Roads Budget

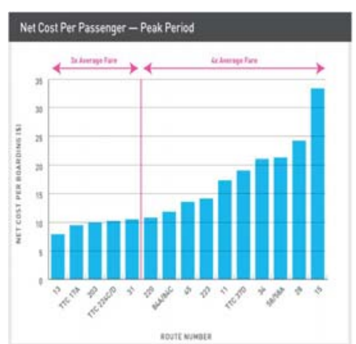


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*
Budget incl Cfwd	131.8	148.5	123.7	140.7	168.6	192.7	151.3	193.1	224.0	247.2	267.8	147.1
Actual Spend	73.1	76.6	91.5	118.6	109.1	87.9	81.0	137.0	103.1	100.2	107.4	132.4
% Spent	55%	52%	74%	84%	65%	46%	54%	71%	46%	41%	40%	90%

A realistic Capital Budget for 2012 reflects our capacity to deliver and contributes to good financial stewardship

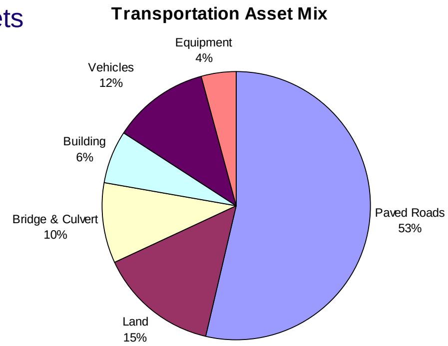
Business Intelligence has Improved Asset Management & Operational Planning in Transit

- State-of-the-art technology investments on YRT/Viva have allowed us to track and respond to service data and:
  - Improve schedule adherence
  - Optimize fleet maintenance
  - Improve on-time performance
  - Monitor cost per passenger…
- Similar investments will allow for the same optimization in Traffic and ITS & Roads operations and maintenance



Business Intelligence will Improve Asset Management & Operational Planning

- Implementation & on-going management of over $2B Assets using Cityworks
- Track & analyze cost by asset
- Optimize:
  - Deployment / scheduling of maintenance staff
  - Rehab of assets
- Ensure minimum maintenance standards are met



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Slide 11

Business Intelligence will Improve Asset Management & Operational Planning

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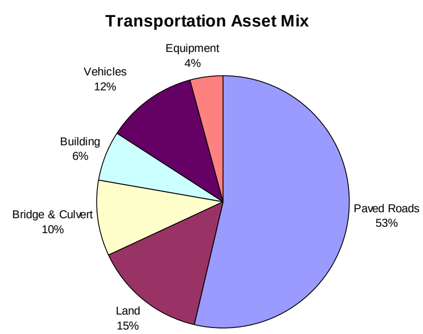

Council's investment in CityWorks, M5, Init, Trapeze, CMMS, ITS Strategy and other technology allow for optimization in roads and traffic operations

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Multi-year business planning approach to strategically prepare for 2012 priorities and beyond…

Transit (YRT/Viva)

- On-time performance & service reliability
- Route restructuring & rationalization of transit service for operational efficiency
- Increase revenues (riders/fares)
- Rapid transit readiness – VivaNext BRT & Spadina Subway

Roads

- Capital Program smoothing – 'right-sizing' program delivery
- Business Intelligence to achieve operational efficiencies
- Business Intelligence for better Asset Management

Multi-year business planning approach to strategically prepare for 2012 priorities and beyond…

Traffic & ITS

- Business Intelligence to achieve traffic operational efficiencies and implement Intelligent Transportation Systems
- Manage VivaNext construction impacts

All Operations (Transit Roads, Traffic/ITS & Forestry)

- Support Corridor Urbanization (streetlights, maintenance, snow removal, Streetscaping & Tree Care)

Changes to Net Expenditures

	$ M	%
2011 Net Operating Budget	**192.9**	
Enhancements	(1.2)	(0.6)
Growth	3.1	1.6
Annualization	(1.7)	(0.9)
Mandatory/Legislative	0.6	0.3
Base/Reductions/Efficiencies/ Cost Savings	(0.6)	(0.3)
Increase/(decrease)	0.2	0.1
2012 Net Operating Budget	**193.1**	

The proposed 2012 Net Operating Budget is $193.1M

2011 Accomplishments

2011 Accomplishments Include Measurable Improvements on the Ground and Policy Direction for the Future

- Completed Infrastructure Stimulus Fund (ISF) projects for Roads and Transit
- Rehabilitated/resurfaced 130.6 lane kms
- Tendered 4 roads contracts and completed 3 contracts for a total of 13 new lane kms of road

2011 Accomplishments Include Measurable Improvements on the Ground and Policy Direction for the Future

- Improved street trees health to 75% in good or better condition
- Reforested 107,500 trees as part of Greening Strategy
- Secured 62.5 acres for Regional forests

2011 Accomplishments Include Measurable Improvements on the Ground and Policy Direction for the Future

- Completed 19 AODA compliant intersection improvements
- Installed Zebra Markings at 25 crosswalk locations
- Enhanced Central Traffic Control monitoring
- Collection/analysis of real time traveller info through technology advancements
- Installed Traffic Control Signals at 28 intersections

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2011 Accomplishments Include Measurable Improvements on the Ground and Policy Direction for the Future

- Transit ridership to reach 21.8M (prior to strike; 12% increase as of Sept 2011)
- Service Efficiency exercise - matching service to demand
- Improved Transit on-time performance to the range of 85-90% (as of September 2011)
- Managed service delays due to VivaNext construction
- Purchased 23 expansion and 8 replacement buses

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2011 Accomplishments Include Measurable Improvements on the Ground and Policy Direction for the Future

- Launched Presto in July
- Launched new YRT/VIVA website
- Finalized operations and maintenance contracts for Southwest, Viva & Southeast (contract extension)
- "Family of service" delivery model to reduce Mobility Plus trip cost

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2011 Accomplishments Include Measurable Improvements on the Ground and Policy Direction for the Future

- Approved a new Speed Limit Policy
- Launched Pedestrian Safety Campaign (with YRP)
- Approved South Yonge Streetscape Master Plan
- Approved a new boulevard soil standard to achieve 90% street tree survival in the future
- Approved Langstaff RH Urban Growth Centre Transportation Plan
- Council approved Emerald Ash Borer strategy

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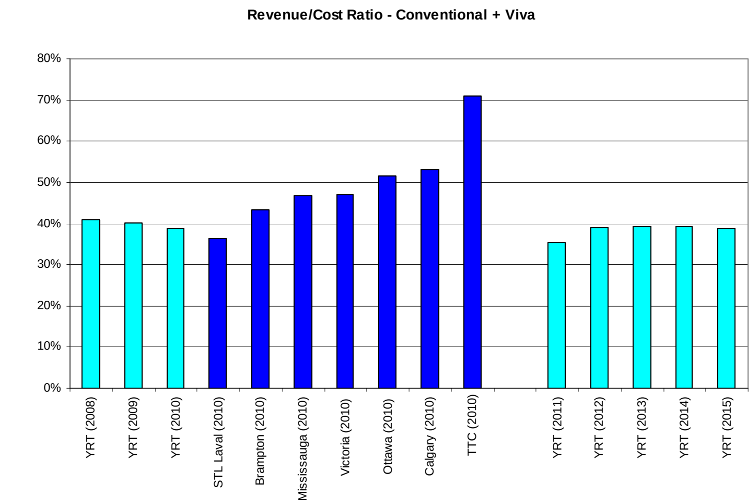
2012 Proposed Budget Aligns with Strategic Plan

2012 Key Performance Indicators

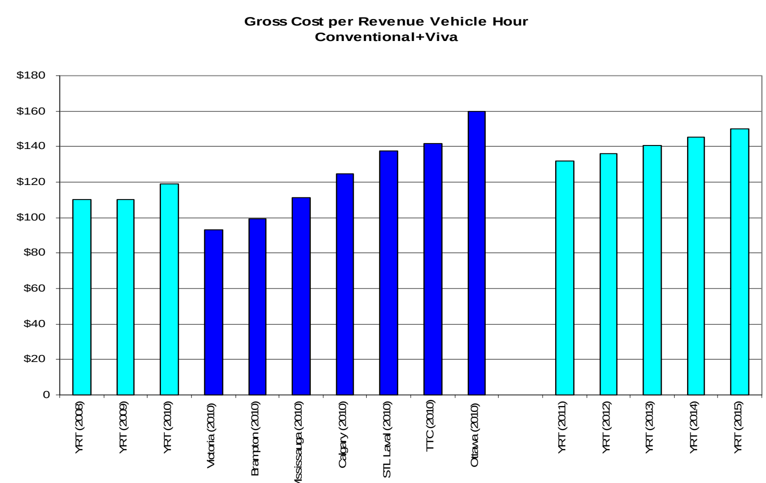
- KPI's are tracked to help us measure our current performance in all operations

- Benchmarking against other municipalities informs direction for future years

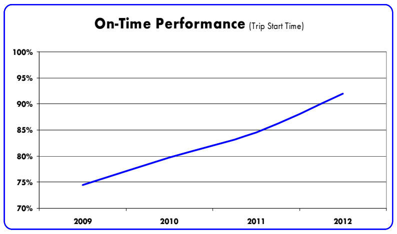
YRT/Viva Revenues Recover Less Than 40% of Program Costs (39.2% for 2012)

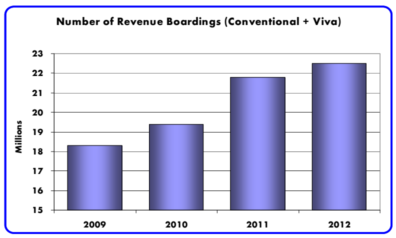


Technology on YRT/Viva Allows us to Rationalize Service and Address Rising Costs – "Business Intelligence"



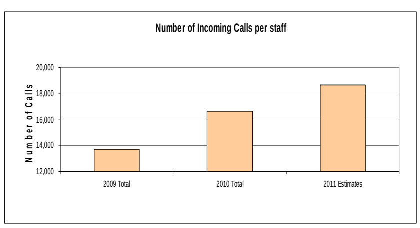
New KPIs and System Performance Measures in Transit

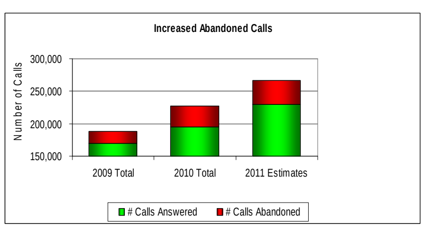




Keeping our buses on-time and taking service to where our customers want to go will grow ridership

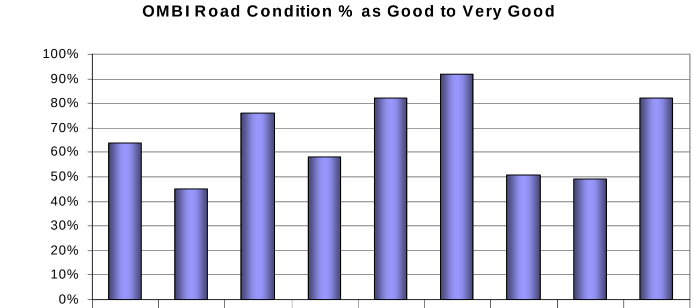
Ridership Growth Increases Call Centre Volumes





- Calls per staff have increased
- Number of abandoned calls are increasing
- All customer contacts are rising (Facebook/ Twitter/email)

Asset Management Program Will Confirm State of Repair of our Roads



	Barrie	Durham	Hamilton	Niagara	Ottawa	Toronto	Waterloo	Windsor	York
Percentage	64%	45%	76%	58%	82%	92%	51%	49%	82%

Business Intelligence will inform future investment priorities

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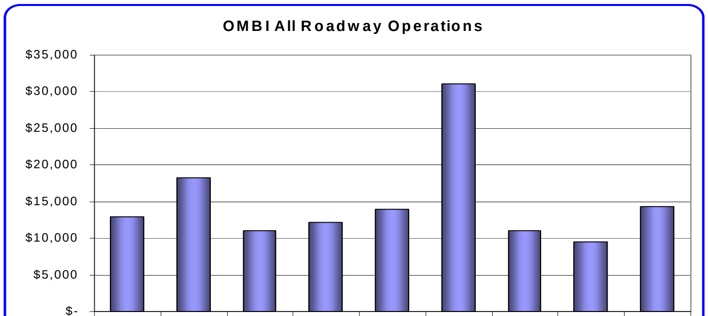
Overall Roads Maintenance Costs Consistent with Peers



	Barrie	Durham	Hamilton	Niagara	Ottawa	Toronto	Waterloo	Windsor	York
Cost/Km	$12,998	$18,265	$11,047	$12,190	$13,924	$31,068	$11,038	$9,538	$14,291

Urbanization and Rapid Transit construction will drive future corridor maintenance costs

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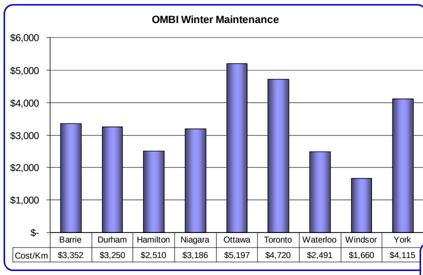
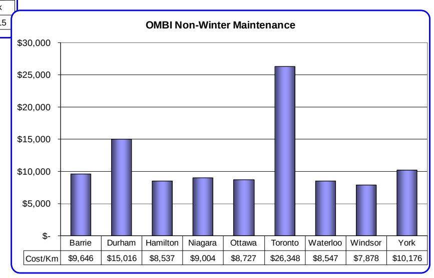
Roads Maintenance Costs Will be the Focus of 2012 Operational Reviews





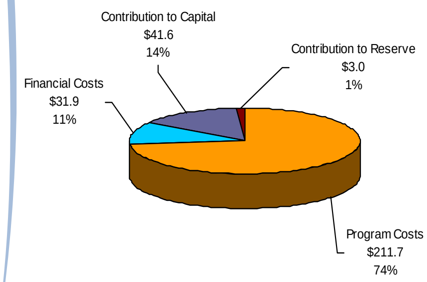
Improved data collection will allow for better decisions about allocating road operations resources

2012 Operating Budget

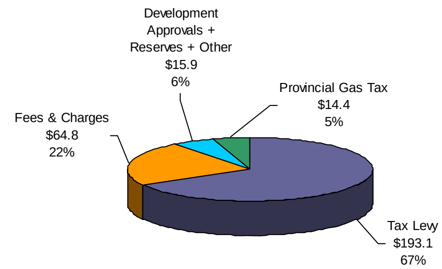


Budget Overview – Operating

2012
GROSS EXPENDITURES
$288.2 Million



2012
GROSS REVENUES
$288.2 Million



2012 Proposed New Staff

Category/Description	# of FTE	Purpose
NEW		
Transit	5.0	To continue to improve on-time performance, call centre responsiveness and AODA compliance
Roads	4.0	To add in mobile fleet repair; improve asset management in fleet and transition to additional afternoon shift in fleet in 2013
Traffic Management & ITS	3.0	To support Presto (deferred from last year) and VivaNext initiatives
Forestry	2.0	To achieve 90% survival for street trees standards and manage invasive spieces program
Strategic Policy & Business Planning	3.0	To meet records requirements and provide administrative support for the department
CONVERSIONS*		
Transit	3.0	To maintain increase in quantity of transit facilities due to growth from ISF funding initiatives
Forestry	2.0	To continue progress improving tree survival rate from 75% to 90%
Strategic Policy & Business Planning	1.0	To address growth/urbanization and support streetscaping program
	23.0	

*No new operating funds required for conversion positions.

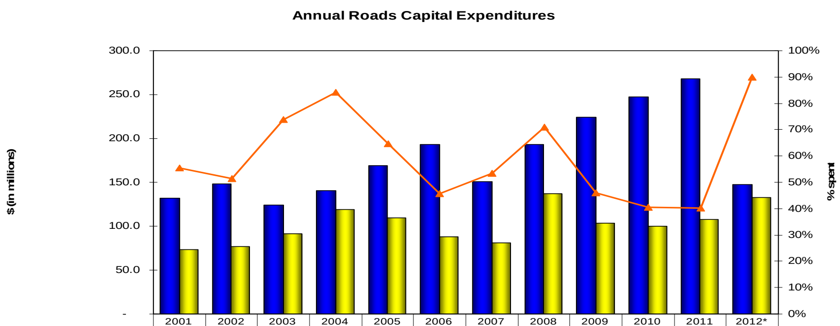
2012 10-Year Capital Plan

2012 Roads Capital Program "right sized"

2012 projects smoothed to better match the ability to deliver considering:

- Tax levy target
- Current level of resources
- Historical delivery/spending trends
- Mix of projects at various stages (EA / design / property acquisition / construction)

Smooth Capital Spending 2012 and Beyond; To Drive Successful Delivery on Approved Roads Budget



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% Spent	55%	52%	74%	84%	65%	46%	54%	71%	46%	41%	40%	90%

Year

A realistic Capital Budget for 2012 reflects our capacity to deliver and contributes to good financial stewardship

10 Year Capital: Major Capital Projects

Roads

Program Description	Time Frame	Budget $M
Various Road Resurfacing & Rehabilitation	On-going	152
Major Mackenzie Drive: Hwy 50 to Weston	2014-2016	129
16th Avenue: Yonge St to Kennedy Rd	2017-2020	85
Rutherford/Carville Road: Jane St to Yonge St	2015-2017	69
Ninth Line: Major Mackenzie to Main St	2013-2015	60
New South-East Maintenance Yard	2014-2016	53
2nd Concession: Green Ln to Queensville SR	2014-2016	50
Bathurst Street: North of Hwy 7 to Elgin Mills	2014-2016	46
Stouffville Road: Hwy 404 to Hwy 48	2011-2013	45
Doane Road: Yonge St to Hwy 404	2016-2018	43

10 Year Capital: Major Capital Projects

Transit

Program Description	Time Frame	Budget $M
196 Conventional expansion buses	2013-2021	111
South East garage	2012-2015	81
41 Viva buses replacement	2016-2020	52
302 Conventional busses major structural refurbishing and mechanical overhaul	2012-2021	48
North garage	2012-2015	46

10 Year Capital: Major Capital Projects

Traffic Management and ITS

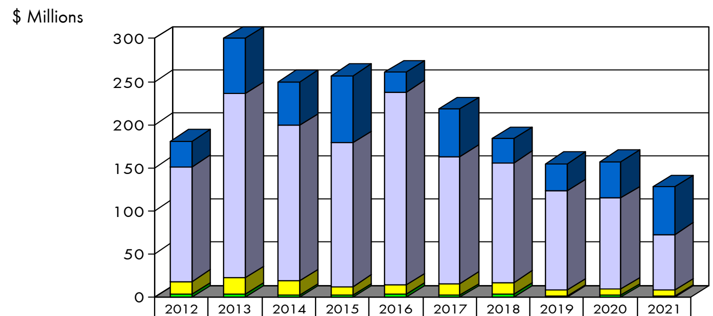
Program Description	Time Frame	Budget $M
Pavement marking program	2011-2016	12.5
CAD /AVL system replacement	2016-2021	12.4
Transit ITS software system	2012-2021	8.6
PRESTO next phase and upgrades	2013-2021	8.5
LED replacement program	2012-2013	4.0

Natural Heritage and Forestry

Program Description	Time Frame	Budget $M
Tree planting on Regional rights of way	On-going	8.5
York greening land securement	On-going	6.0
EAB street tree replacement	2012-2021	4.0

10 Year Capital Plan

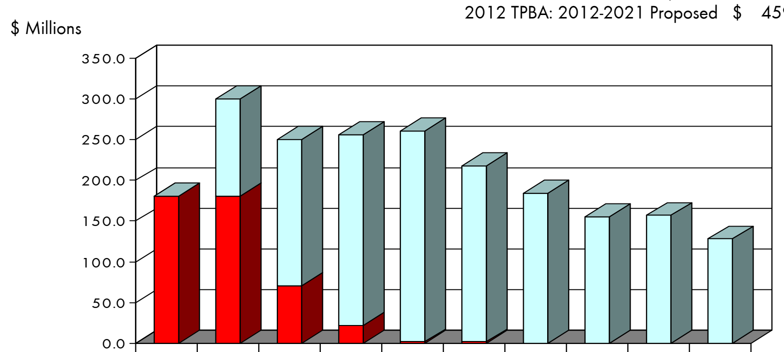
Proposed 2012 Ten Year Capital Plan $ 2,091 M



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Transportation	181	300	250	257	261	218	184	155	157	128
York Region Transit	30	64	51	78	23	55	28	32	42	55
Roads	133	214	180	167	224	147	139	115	106	65
Traffic Management & Intelligent Traffic Systems	15	19	17	10	11	14	14	7	7	7
Natural Heritage & Forestry	3	3	2	2	3	2	3	1	2	1

10-Year Capital Plan Highlighting TPBA

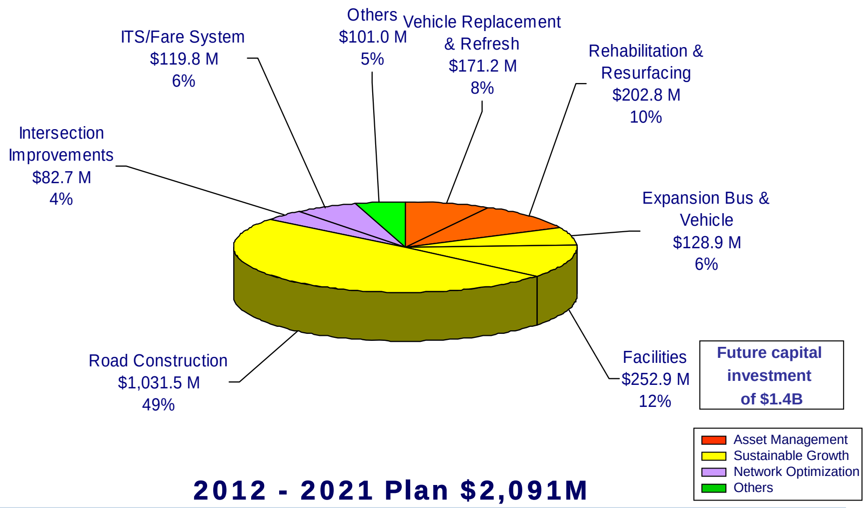
2012 Plan: 2012-2021 Proposed $ 2,091 M
2012 TPBA: 2012-2021 Proposed $ 459 M



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital Plan	181	300	250	257	261	218	184	155	157	128
Remaining Forecast	0	119	179	234	259	216	184	155	157	128
TPBA	181	181	71	22	2	2	0	0	0	0

TPBA Remaining Forecast

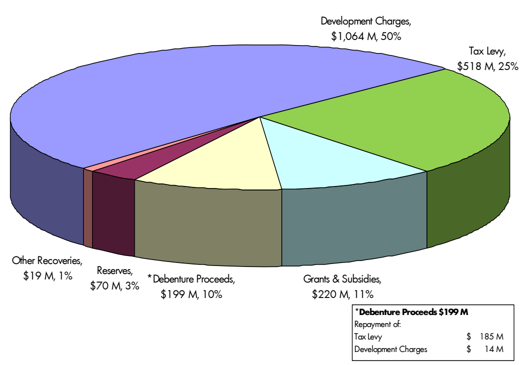
10-Year Capital Plan Asset Mix



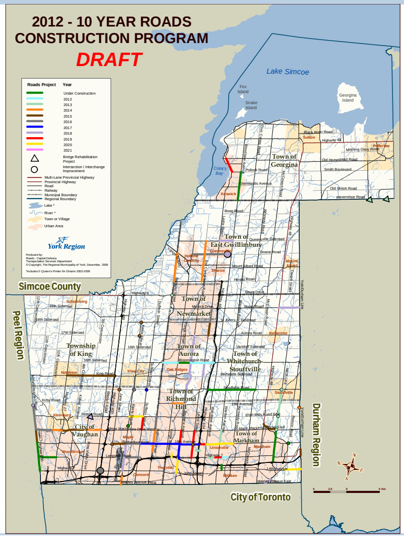
2012 - 2021 Plan $2,091M

10-Year Capital Financing Sources

Total capital $2,091M



Roads 10 Year Capital Program



2013 to 2015 Outlook



The Future Operating Budget is Driven by Major Capital Projects

Planned Major Capital Investment Initiatives	2012	2013	2014	2015	2016
Vivanext Rapidways					
Newmarket			✓		
Markham			✓		
Vaughan				✓	
Richmond Hill				✓	
Spadina Subway Extension					✓
Viva Garage			✓		
Transit Garage					
North				✓	
South East				✓	
Snow Dump					✓
Roads Patrol Yard					✓

2013-2015 Key Drivers

- Commissioning of Viva BRT rapidways
- Contractor rates for YRT/Viva services
- Contractor rates for winter maintenance, pavement markings, road construction
- Continued Regional growth & urbanization
- Increased pedestrian & cycling activity

2013-2015 Potential Risks

- Facility strategies for Roads and Transit (land, construction, financing)
- Commodity prices – fuel, salt & sand
- New service and construction contracts (market conditions)

Budget Cycle Timeline