York Region Rapid Transit Corporation

Finance & Admin. Committee Presentation | November 29, 2012
2013-2014 Capital & Operating Budget Overview

Executive Summary

YRRTC's Capital and Operating Expenditures Budget for 2013, and Outlook for 2014 brought forward in two parts:

- ✓ Part One – 2013 Budget and 2014 Outlook for the Metrolinx Capital Program of $1.8B endorsed by the YRRTC Board of Directors at its meeting of November 1, 2012 - with the approval of Metrolinx already in place, per the executed Master Agreement
  - ✓ 2013 Capital Budget - $277.2MM | 2014 Capital Outlook - $250.2MM
  - ✓ 2013 Operating Budget - $11.80MM | 2014 Operating Outlook - $12.37MM

- ❑ Part Two – 2013 Budget and 2014 Outlook for the Regional Capital Program of $1.4B seeks the necessary approvals of Regional Council
  - ❑ 2013 Capital Budget - $340.4MM | 2014 Capital Outlook - $339.4MM
  - ❑ 2013 Operating Budget - $11.77MM | 2014 Operating Outlook - $13.77MM
  - ❑ Additional staff required for the accelerated capital delivery of the Metrolinx program – 100% fully recoverable

Executive Summary

The Proposed Regional Budget & Outlook at a Glance:

	Without Financing Costs & Revenues	With Financing Costs & Revenues
Net Tax Levy Increase for 2013:	2.9%	8.8%
Net Tax Levy Increase Outlook for 2014:	(2.2%)	17.0%
Capital Budget for 2013:	$340.4MM	
Capital Outlook for 2014:	$339.4MM	

Executive Summary

2013 Regional Capital Budget:

	$ Millions
Facilties & Terminals	$ 52.5
Viva Buses	$ 18.7
Spadina Subway Extension	$ 268.7
Yonge Subway Extension	$ -
Rapidways Studies	$ 0.5
Total Capital Budget - Regional	**$ 340.4**

2014 Regional Capital Outlook:

	$ Millions
Facilties & Terminals	$ 69.6
Viva Buses	$ 3.7
Spadina Subway Extension	$ 253.5
Yonge Subway Extension	$ 10.0
Rapidways Studies	$ 2.5
Total Capital Outlook - Regional	**$ 339.4**

2013 Operating Budget:

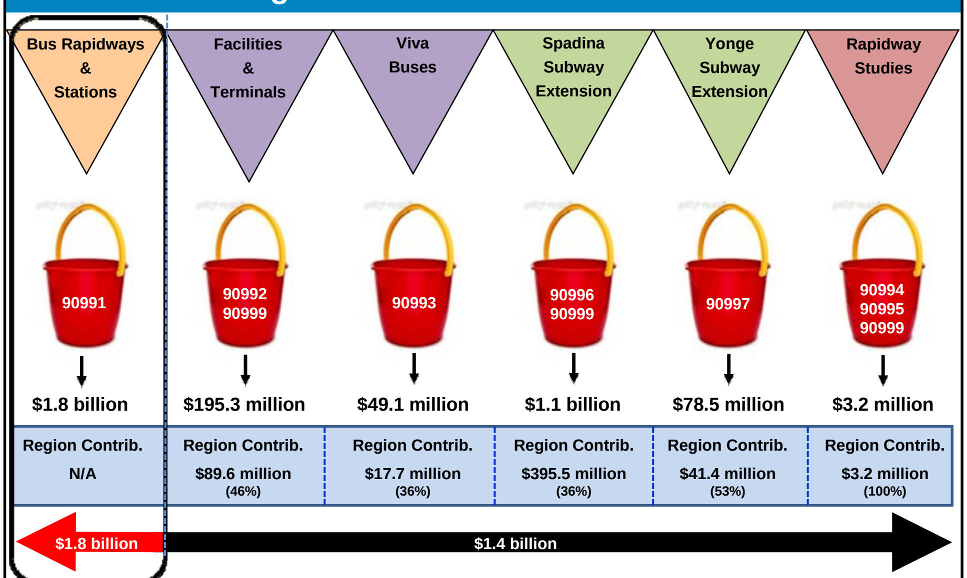
YRRTC Staff & Admin. Costs	$ 10.6
YR Shared Services - per Negotiated Specifics agreements	$ 4.9
Financing Costs - Debt Repayments and Interests *	$ 16.8
Sub-Total: Gross Expenditures	**$ 32.3**
Offset by Recoveries to Metrolinx Capital Program	$ (11.8)
Offset by Recoveries to Regional Capital Program	$ (1.5)
Offset by Revenues *	$ (7.2)
Sub-Total: Recoveries & Revenues	**$ (20.5)**
Total Operating Budget - Net Tax Levy	**$ 11.8**
	8.8%
Total Operating Budget - Net Tax Levy (without Financing Costs & Revenues)	**$ 2.2**
	2.9%

2014 Operating Outlook:

YRRTC Staff & Admin. Costs	$ 11.2
YR Shared Services - per Negotiated Specifics agreements	$ 5.0
Financing Costs - Debt Repayments and Interests *	$ 23.4
Sub-Total: Gross Expenditures	**$ 39.5**
Offset by Recoveries to Metrolinx Capital Program	$ (12.4)
Offset by Recoveries to Regional Capital Program	$ (1.6)
Offset by Revenues *	$ (11.8)
Sub-Total: Recoveries & Revenues	**$ (25.8)**
Total Operating Outlook - Net Tax Levy	**$ 13.8**
	17.0%
Total Operating Outlook - Net Tax Levy (without Financing Costs & Revenues)	**$ 2.2**
	(2.2%)

Overview of Funded Capital Programs
* Metrolinx & Regional - $3.2 Billion *

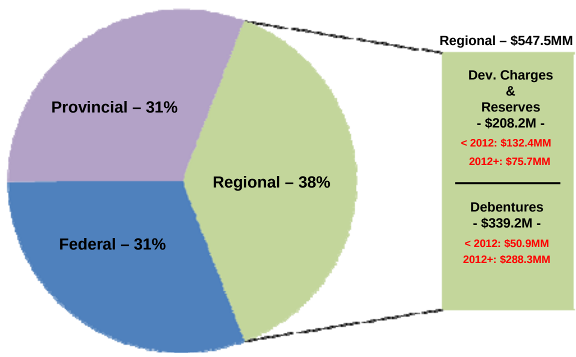
Funded Capital Programs - $3.2B
* Metrolinx & Regional



Reference pg. 345 of the 2013 Capital Budget Book

Funded Capital Program - $1.4B
* Regional

Funding Agreements:
1.QuickWins Agreement
2.Canada Strategic Infrastructure Fund (CSIF) Contribution Agreement
3.TYSSE Contribution Agreement



Reference pg. 339 of the 2013 Capital Budget Book

2013 Capital Budget & 2014 Capital Outlook

Out of the Regional Capital Program of $1.4B, remaining for 2013 and beyond is <u>$887.4MM</u>

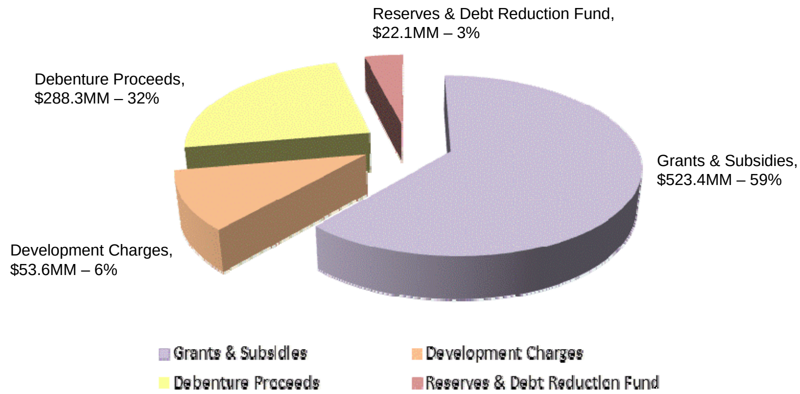
2013 Capital Budget		2014 Capital Outlook	
10-Year Capital Plan	$887.4MM		
2013 Capital Spending Authority	$813.2MM	2014 Increm. Capital Spending Authority	$10.0MM
2013 Capital Budget	$340.4MM	2014 Capital Outlook	$339.2MM

* 2014+ Incremental Capital Spending Authority = $64.2MM

Reference pg. 346-348 of the 2013 Capital Budget Book

2013 Capital Budget & 2014 Capital Outlook
* 10-Year Capital Plan

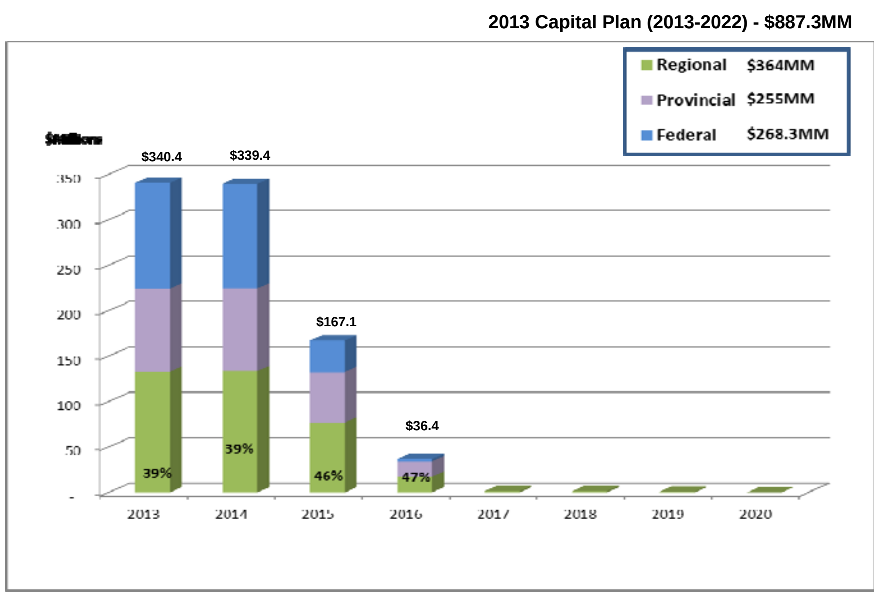
Sources of financing for the remaining 10-Year Capital Plan of $887.4MM:



*** Total Remaining Debenture Proceeds - $288.3M. Repayments through:**
- Development Charges = $146.5MM
- Tax Levy = $141.8MM

Reference pg. 346 of the 2013 Capital Budget Book

2013 Capital Budget & 2014 Capital Outlook
* 10-Year Capital Plan



2013 Capital Budget & 2014 Capital Outlook
* Capital Spending Authority

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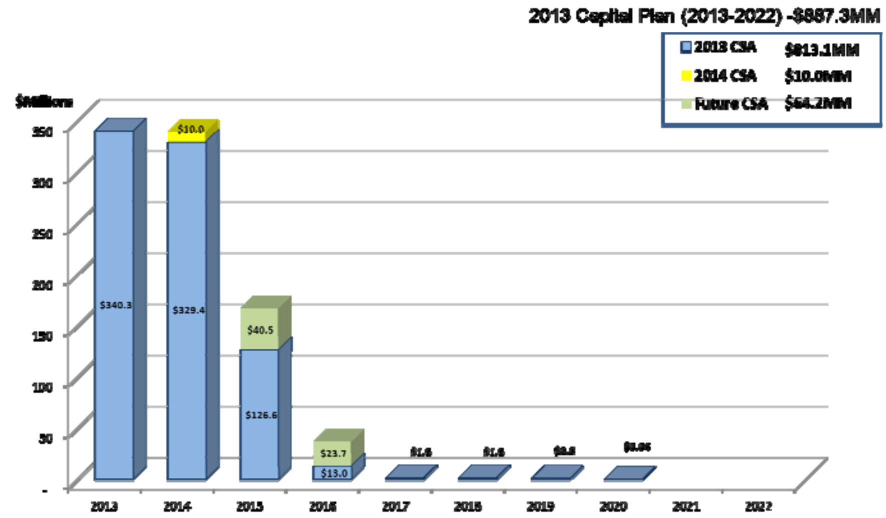

2013 Capital Budget

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2013 Capital Budget is $340.4MM, compared to $254.2MM in 2012

013 Budget Highlights- Regional Funded Capital
ork Region Rapid Transit Corporation

Regional Capital Program (in $ millions)	2013 $$$	Contribution from DCs + Reserves	Debenture Proceeds	Third Party Funding
Facilities & Terminals	52.5	10.0	14.6	27.9
Viva Buses	18.7	7.9	1.4	9.4
Spadina Subway Ext.	268.7	12.8	85.5	170.4
Yonge Subway Ext. *	-	-	-	-
Rapidway Studies	0.5	0.5	-	-
Total Capital $$$	**$ 340.4**	**$ 31.2**	**$ 101.5**	**$ 207.7**
		9.2%	29.8%	61.0%

Reference pg. 345 of the 2013 Capital Budget Book

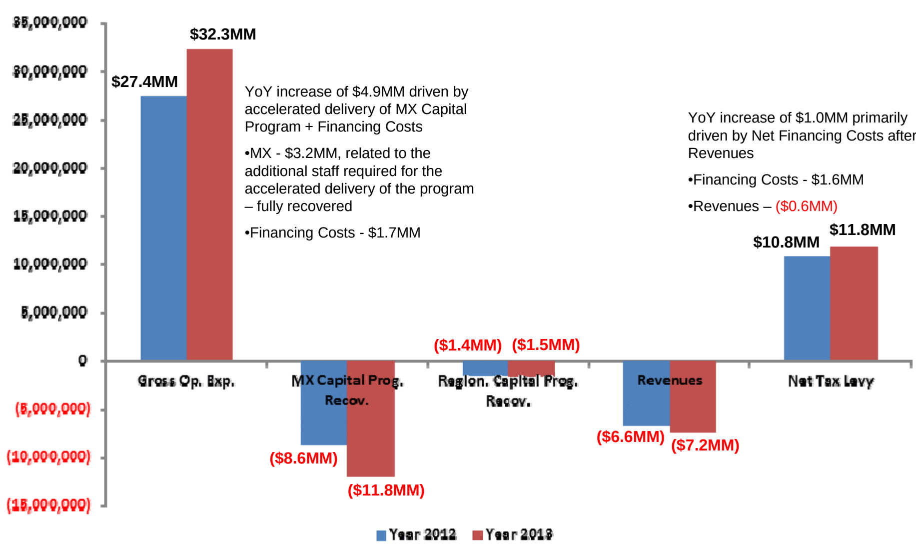
2013 Operating Budget & 2014 Operating Outlook

2013 Operating Budget		2014 Operating Outlook	
Gross Expenditures	$32.3MM	Gross Expenditures	$39.5MM
-YRRTC & YR Staff & Admin.	$15.5MM	-YRRTC & YR Staff & Admin.	$16.2MM
-Financing Costs	$16.8MM	-Financing Costs	$23.4MM
Recoveries & Revenues	($20.5MM)	Recoveries & Revenues	($25.8MM)
-Metrolinx Capital Program	($11.8MM)	-Metrolinx Capital Program	($12.4MM)
-Regional Capital Program	($1.5MM)	-Regional Capital Program	($1.6MM)
-Revenues	($7.2MM)	-Revenues	($11.8MM)
Net Expenditures	$11.8MM	Net Expenditures	$13.8MM
Change in Net Exp. %	8.8%	Change in Net Exp. %	17.0%
Change in Net Exp. % (W/O Financing Costs & Rev.)	2.9%	Change in Net Exp. % (W/O Financing Costs & Rev.)	(2.2%)

Proposed tax levy increase without impact of Financing Costs & Revenues:
- Increase of 2.9% for 2013 Operating Budget
- Decrease of (2.2%) for 2014 Operating Outlook

2013 Operating Budget

Operating Budget is $11.8MM vs. $10.8MM in prior year



2013 Operating Budget

Operating Budget is $11.8MM – net of Recoveries and Revenues

Operating Expenditures (in $ millions)	Total Operating Exp. Budget	Regional Operating Exp. Budget	Metrolinx Operating Exp. Budget
Direct Staff & Office Admin.	10.6	3.3	7.3
Negotiated Specifics	4.9	0.4	4.5
Financing Costs	16.8	16.8	-
Gross Operating $$$	**32.3**	**20.5**	**11.8**
Capital Recoveries	(13.3)	(1.5)	(11.8)
Revenues	(7.2)	(7.2)	-
Net Operating $$$ - Tax Levy	**$ 11.8**	**$ 11.8**	**$ -**

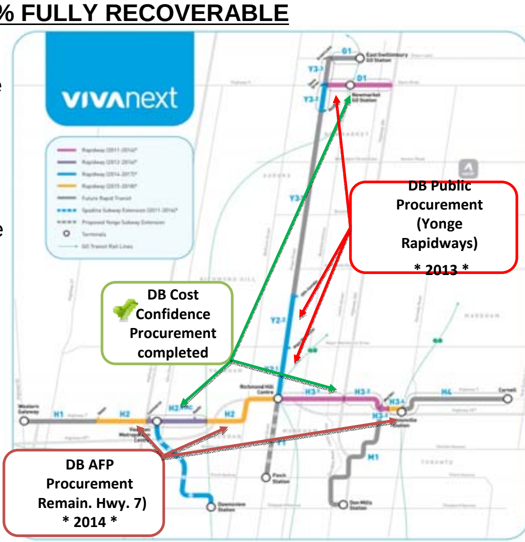
Highlights:

- All existing and new staff for the accelerated delivery of Metrolinx Capital Program are fully recovered
- No additional staff is required from previous year for the delivery of the Regional Capital Program
- Without Financing Costs and revenues, year-over-year increase of 2.9%
- Out of the Operating Expenses Budget of $11.8MM, Financing Costs (net of Revenues) are $9.6MM
  - Financing Costs include Debt Repayment Charges and Interests
  - Financing Costs reflect total Debentures of $204.4MM by end of 2013
  - Office of the President and on-going efforts to secure funding for the Unfunded Capital Programs make up the remaining $2.2MM

2013 & 2014 New Staffing

Purpose of all new staff is to deliver the accelerated schedule of the Metrolinx Capital Program of $1.8B – 100% FULLY RECOVERABLE

- ✓ At its Jun. 21 meeting, Metrolinx BoD approved the recommendation to have all Bus Rapid Transit (BRT) corridors be completed by Q1-2018
  - Original program completion date by Q1-2021
- ✓ YRRTC BoD has already endorsed the new staff requirements at its Nov. 1 meeting
  - Organizational structure in place – project delivery teams set up
- Additional staff requirements – 20 FTEs
  - 2013 – 16 FTEs
  - 2014 – 4 FTEs
  - 100% Fully Recoverable against the Metrolinx Capital Program of $1.8B



Reference pg. 460 & 467 of the 2013 Operating Budget Book

Share of the Tax Dollar Under Discussion

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	In Cents
Police	30
Transit	13
Community and Social Services	12
Roads	10
Corporate Management	9
Asset Replacement	7
Waste Management	5
Emergency Medical Services	4
Special Purpose Bodies	4
Other	3
Public Health	2
Rapid Transit	**1**
	$1.00

Where We Are in the Process

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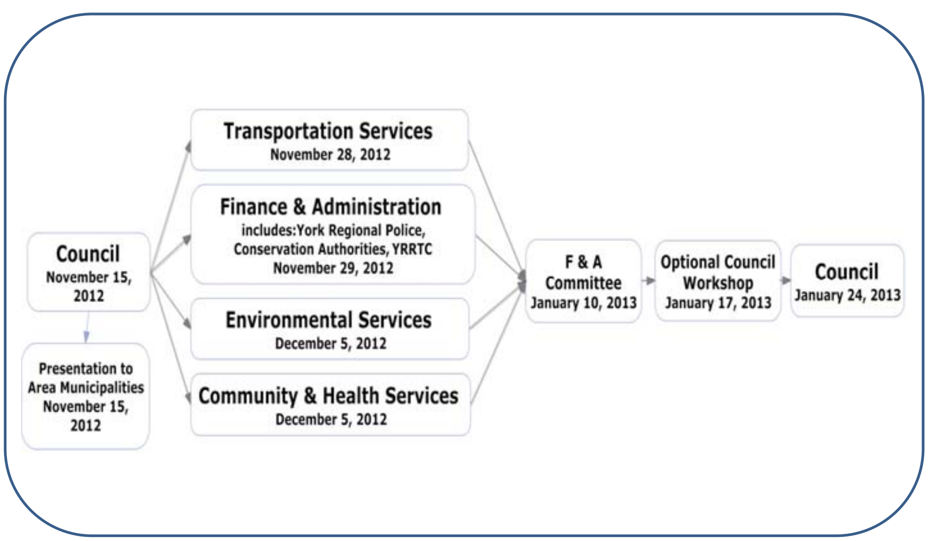


Strategic Plan

The 2011-2015 Strategic Plan:

- ❑Sets a deliberate course of action for this term of Council
- ❑Aligns the organization to the priorities of Council
- ❑Maps long-range planning with present day issues
- ❑Guides the Business Planning and Budget process

The budget is the mechanism through which financial resources are applied to achieve Council's policy priorities.

Appendix 1
2013 Operating Budget & 2014 Operating Outlook

	Without Financing Charges & Revenues				With Financing Charges & Revenues			
	2013		2014		2013		2014	
	$ Millions	%	$ Millions	%	$ Millions	%	$ Millions	%
Starting Net Operating Budget	2.2		2.2		10.8		11.8	
Base (incl. Reductions/Efficiencies/Cost Savings)					0.11			
Annualization					0.8		2.0	
Growth	3.1		0.7		3.1		0.7	
Capital Recovery	(3.1)		(0.7)		(3.1)		(0.7)	
Net Operating Budget	2.2	2.9%	2.2	(2.2%)	11.8	8.8%	13.8	17.0%

Reference pg. 463 &464 of the 2013 Operating Budget Book

Appendix 2
2013 & 2014 Overall Staffing

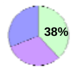
YRRTC Staff of 63 by 2014:

Metrolinx Capital Program
*** $1.8B ***




2012 Exist.:	26
2013 New:	16
2014 New:	4
Sub-Total:	46

Regional Capital Program
*** $1.4B ***






2012 Exist.:	10
2013 New:	-
2014 New:	-
Sub-Total:	10

Unfunded Capital Programs
Office of the President


2012 Exist.:	7
2013 New:	-
2014 New:	-
Sub-Total:	7