

The Regional Municipality of York

Committee of the Whole
Finance and Administration
March 4, 2021

Report of the Commissioner of Finance

2021 to 2022 Budget – York Region Rapid Transit Corporation

1. Recommendations

1. Committee of the Whole recommend the budget as submitted for York Region Rapid Transit Corporation as follows:
 - a. The 2021 operating budget and the 2022 operating outlook, as summarized in Attachment 1.
 - b. The 2021 capital expenditures and the 2021 Capital Spending Authority, as summarized in Attachment 2.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on March 25, 2021.

2. Summary

This report provides a summary of the 2021 to 2022 Operating and Capital Budget for York Region Rapid Transit Corporation for consideration by Committee. Details of the budget can be found on page 85 of the 2021 to 2022 Budget Book.

Key Points:

- As the fastest growing municipality in the GTHA, investment in York Region's rapid transit network is critical to support growth to 2051. Rapid transit infrastructure supports transit-oriented development and attracts new housing, jobs and employment in the Region's Centres and Corridors. Completion of the Region's rapid transit network will provide efficient, safe and accessible travel options, supporting seamless mobility through York Region and the GTHA.
- The 2021 proposed gross operating expenditures for York Region Rapid Transit Corporation are \$36.4 million, which is 1.4% of total Regional operating expenditures
- The proposed net operating budget is \$3.3 million, or 0.3% of the Region's net expenditures after non-tax revenues of \$33.1 million
- The proposed capital budget is \$35.2 million in 2021, or 4.6% of the proposed Regional capital budget, and proposed Capital Spending Authority is \$46.1 million

3. Background

York Region Rapid Transit Corporation (YRRTC) is responsible for planning, design and construction of the rapid transit network and related infrastructure.

On December 19, 2019, Council endorsed an operating outlook for 2021-2022

As part of the [2020-2022 Budget](#), Council endorsed an outlook for the overall Regional operating budget for 2021 to 2022. This outlook reflected budget amounts for Regional departments and key service areas.

The budget timeline was adjusted due to uncertainties related to COVID-19

The 2021 Budget Direction report, approved by Council on May 14, 2020, indicated that the budget be tabled in February 2021 and reviewed at the Committee of the Whole meetings in March, with final 2021 budget approval by Council scheduled for March 25, 2021.

In a typical non-election year, the budget is tabled with Council in November and approved in December. The later tabling and approval date helped address the high level of uncertainty and limited information on implications of COVID-19 as well as assumptions around senior government funding.

The budget was tabled with Council on February 25, 2021

The proposed 2021 to 2022 Operating and Capital Budget was tabled with Council on February 25, 2021. It was received and referred to the March meetings of Committee of the Whole for consideration and recommendation.

The proposed multi-year operating budget includes an outlook for 2022

The operating budget includes the proposed 2021 budget and an outlook for 2022. The outlook will be reviewed through the 2022 budget process. Each year, Council will consider the proposed budget for the upcoming year and the outlook for the remaining years of Council's term.

For the 2021 to 2022 budget, Council is asked to approve the 2021 proposed operating budget and endorse the 2022 outlook.

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

Many 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 proposed capital expenditures and funding for 2021 and the multi-year Capital Spending Authority.

4. Analysis

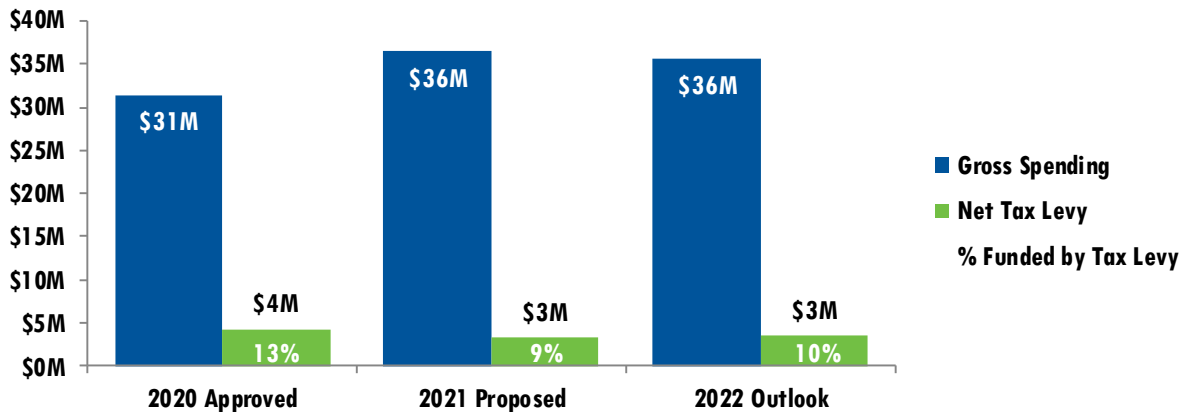
OPERATING BUDGET

Approval of 2021 gross expenditures of \$36.4 million and net expenditures of \$3.3 million is requested

The budget includes gross operating expenditures, or total budget, and net expenditures, which correspond to the portion of the budget paid by the tax levy. Non-tax revenues fund the difference. For York Region Rapid Transit Corporation, non-tax revenues come from development charges and reserves. The gross expenditures also reflect federal and provincial funding to support the delivery of transit capital projects.

The 2021 proposed gross operating expenditures for York Region Rapid Transit Corporation are \$36.4 million, or 1.4% of total Regional expenditures. The proposed 2021 net expenditures of \$3.3 million are 0.3% of the total. The tax levy funds 9.0% of York Region Rapid Transit Corporation's 2021 gross expenditures, as shown in Figure 1 below.

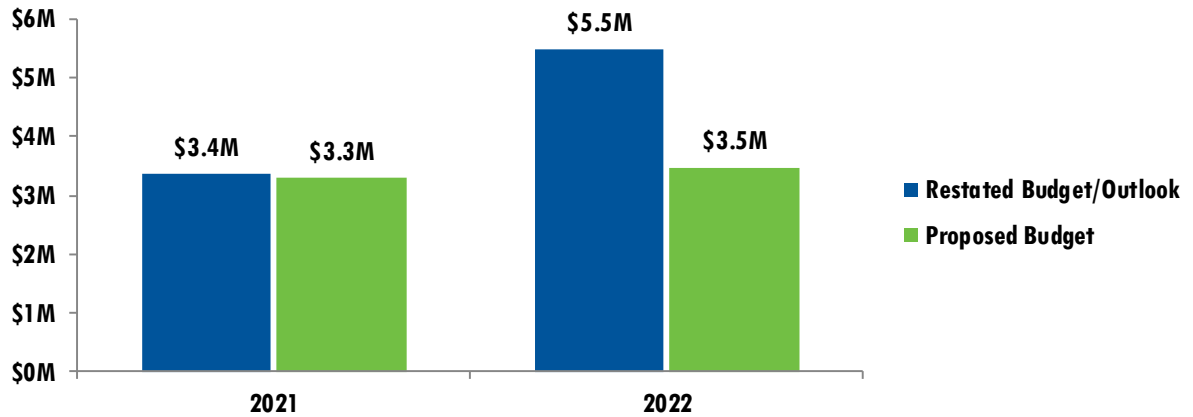
Figure 1
2021 to 2022 Gross and Net Operating Expenditures



York Region Rapid Transit Corporation's proposed 2021 operating budget is slightly lower than the previously endorsed outlook

As illustrated in Figure 2, York Region Rapid Transit Corporation's proposed 2021 net budget is \$0.1 million lower than the endorsed outlook. The 2022 outlook is also lower than the outlook endorsed as part of the 2020 to 2022 Budget by \$2.0 million in 2022.

Figure 2
2021 to 2022 Proposed Net Budget Compared to Outlook



The 2022 budget reflects an assumption of potential provincial funding to recover the costs associated with Yonge Subway Extension project, which reduces the net budget below outlook.

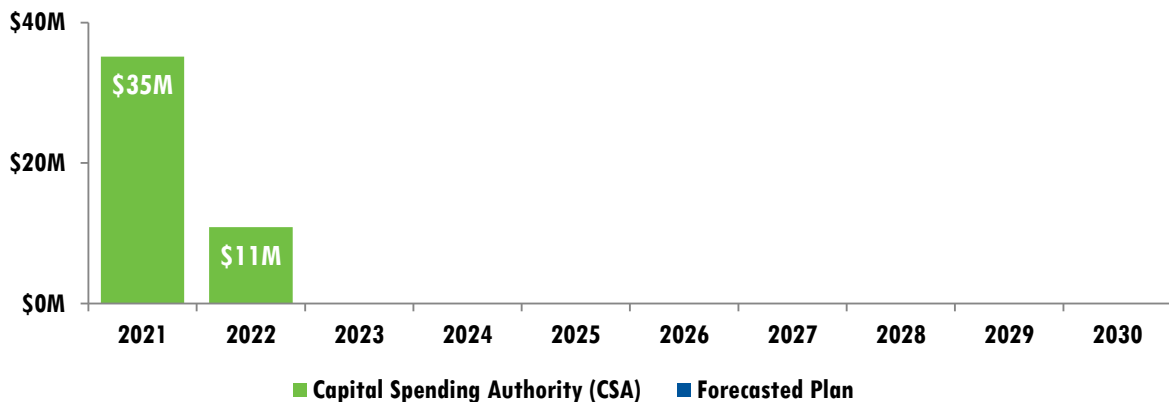
CAPITAL BUDGET

Approval of 2021 capital expenditures of \$35.2 million and Capital Spending Authority of \$46.1 million is requested

York Region Rapid Transit Corporation’s capital budget enables infrastructure projects and activities to advance rapid transit projects in support of growth. Projects include completion of the Cornell Bus Terminal and closeout of the Toronto-York Spadina Subway Extension.

The proposed Capital Spending Authority for York Region Rapid Transit Corporation is \$46.1 million as shown in Figure 3, or 1.5% of the total Capital Spending Authority.

Figure 3
Ten-Year Capital Plan and Capital Spending Authority (CSA)



Attachment 2 summarizes the Capital Spending Authority by program and shows the associated funding sources for York Region Rapid Transit Corporation. Details on individual projects are available in the 2021 to 2022 Budget Book starting on page 255.

The proposed budget supports the 2019 to 2023 Strategic Plan

The budget for York Region Rapid Transit Corporation supports the Economic Vitality and Sustainable Environment community result areas of the 2019 to 2023 Strategic Plan. More information is provided in the 2021 to 2022 Budget Book.

5. Financial

The proposed 2021 net operating budget for York Region Rapid Transit Corporation totals \$3.3 million, as summarized in Attachment 1.

The proposed 2021 capital budget of \$35.2 million and 2021 Capital Spending Authority with an associated multi-year commitment of \$46.1 million are summarized in Attachment 2.

6. Local Impact

The Region's budget supports a wide range of public services that support and benefit residents and local economies. The Region works with its local municipal partners to develop many Regional programs and services. Local needs and impacts are an important consideration in delivering effective and efficient services for a growing population.

7. Conclusion

This report sets out the proposed 2021 operating and capital budgets and the 2022 outlook for York Region Rapid Transit Corporation. To facilitate completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council for consideration on March 25, 2021.

For more information on this report, please contact Kelly Strueby, Director, Office of the Budget at 1-877-464-9675 ext. 71611. Accessible formats or communication supports are available upon request.

Recommended by:

Laura Mirabella

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Commissioner of Finance and Regional Treasurer

Mary-Frances Turner

Mary-Frances Turner
President, York Region Rapid Transit Corporation

Approved for Submission:

Bruce Macgregor

Bruce Macgregor
Chief Administrative Officer

February 17, 2021
Attachments (2)
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