

# **The Regional Municipality of York**

Regional Council  
February 24, 2022

Report of the Commissioner of Finance

## **Budget Reprofiting – Cornell Bus Terminal**

### **1. Recommendations**

Council approve a reprofiling adjustment of unspent budget from 2021 to 2022 for York Region Rapid Transit Corporation's capital program 90992: Bus Rapid Transit Facilities and Terminals in the amount of \$10.3 million for the gross expenditures, Capital Spending Authority and associated funding sources, as detailed in Attachment 1.

### **2. Summary**

This report seeks Council approval to reallocate the unspent 2021 budget for the Cornell Bus Terminal project into 2022.

Key Points:

- The Cornell Bus Terminal project was included in the York Region Rapid Transit Corporation's (YRRTC) 2021 budget and was originally expected to be completed in the Fall of 2021
- Due to unforeseen delays, the project will now be completed in Spring 2022, which resulted in additional 2021 underspending of \$10.3 million in program 90992: Bus Rapid Transit Facilities and Terminals
- Approval is being requested at this time because the need to reprofile unspent 2021 budget arose after the 2022 budget was approved
- To ensure continued prompt payment to its contractor, York Region Rapid Transit Corporation is requesting that Council approve a \$10.3 million increase in 2022 gross expenditures and Capital Spending Authority
- There is no change in the total cost of the project, funding sources, or the Bus Rapid Transit Facilities and Terminals program as the project was originally included in the 2021 budget

### 3. Background

**Cornell Bus Terminal was expected to be completed in the Fall of 2021 and no expenditures or Capital Spending Authority were included for the project in the 2022 capital budget**

In early 2021, due to issues with the original contractor, York Region Rapid Transit Corporation was required to renegotiate a new set of contractual arrangements with a new contractor with the goal of completing the Bus Terminal by the end of 2021.

The 2021 Council-approved Capital Spending Authority (CSA) for the Bus Rapid Transit Facilities and Terminals program was \$18.6 million, including \$17.6 million for the Cornell Bus Terminal project. Because the project was expected to be completed in 2021, no expenditures or Capital Spending Authority were included for the Cornell Bus Terminal in York Region Rapid Transit Corporation's 2022 Budget.

### 4. Analysis

**Due to unforeseen delays, completion of the Cornell Bus Terminal is now scheduled for Spring 2022**

In addition to negotiating a new set of contractual arrangements with a new contractor, the ongoing COVID-19 pandemic resulted in labour shortages and supply chain delays for materials (lighting, doors, etc.). These materials are critical to achieving substantial completion. The Cornell Bus Terminal is now anticipated to be completed in Spring 2022.

York Region Rapid Transit Corporation is contractually obligated to make payments to the contractor in the first quarter of 2022. Given the project was expected to be completed in 2021, no expenditures or capital spending authority were allocated to 2022. As a result, YRRTC does not have the authority to release funds in 2022 to make payments to vendors. The budget reprofiling requested in this report will provide the necessary authority. There is no change in the total cost of the project.

### 5. Financial

**York Region Rapid Transit Corporation requires \$10.3 million of budgeted expenditures and Capital Spending Authority be reprofiled from 2021 to 2022**

The Cornell Bus Terminal remains within the approved total budget of \$50.8 million, with the remaining \$10.3 million to complete the project funded from Grants & Subsidies (\$7.7 million), Development Charge Reserves (\$0.8 million), Canada Community Building Fund Reserve (\$0.4 million), General Capital Reserve (\$0.1 million) and Other Recoveries (\$1.3 million) originally budgeted for 2021.

## 6. Local Impact

The Cornell Bus Terminal is an 11-bay bus terminal strategically located in Markham near the border of York Region and Durham Region.

This terminal will host York Region Transit's (YRT) local routes and Viva buses, with the capacity to host GO Transit and Durham Region Transit in the future.

## 7. Conclusion

Reprofiling the budget will allow YRRTC to meet the obligations of its vendors and achieve completion of this project by Spring 2022.

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For more information on this report, please contact Chad McCleave, Vice-President, Finance & Treasurer, YRRTC at 905-886-6767 ext.71015. Accessible formats or communication supports are available upon request.



Recommended by:

**Kelly Strueby**

Acting Commissioner of Finance and Regional Treasurer



Approved for Submission:

**Bruce Macgregor**

Chief Administrative Officer

February 18, 2022

Attachments (1)

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