



YORKNET

2019-2022 BUDGET

Dino Basso
Vice President, YorkNet

Laura Bradley
General Manager, YorkNet



MANDATE

1	Region	Ensure connectivity of Regional departments to enable efficiency and service delivery
2	Municipalities Universities Schools Hospitals	Assist to optimize connectivity
3	Third Party Providers	Facilitate connectivity and economic development

THE BUDGET SUPPORTS THE 2019 TO 2023 STRATEGIC PLAN



Improved connectivity enables enhanced e-services to our clients and customers and efficient operations

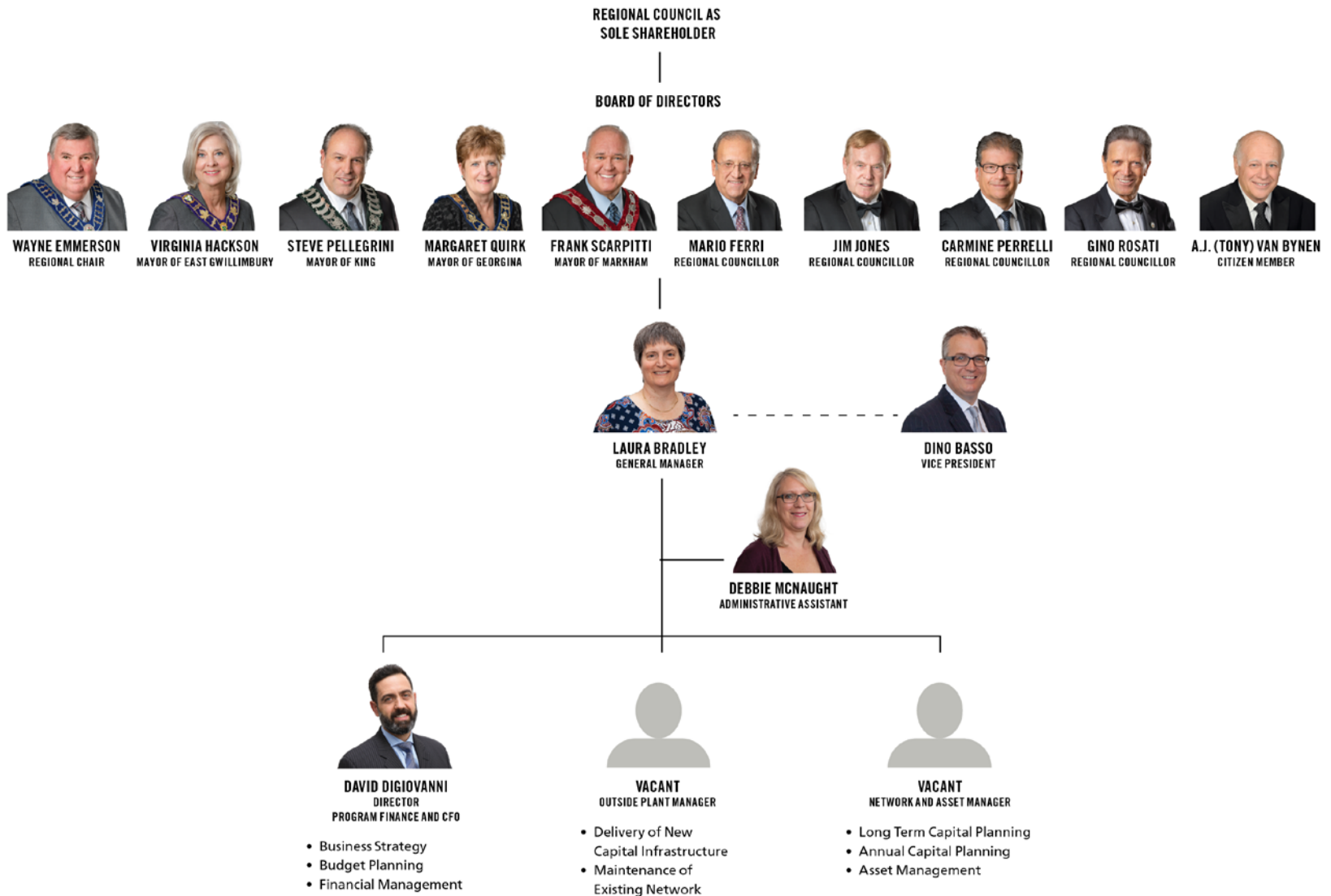
Owning our own network provides greater control and reduces costs paid to outside parties



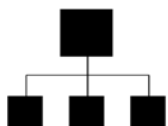
Access to fibre infrastructure enables business attraction and retention in a data dependent world, while providing a revenue stream for the Region



ORGANIZATIONAL CHART



BUILDING THE FOUNDATION FOR SUCCESS



Established
governance
and structure



Developed
10-year capital
budget plan



Developed
revenue model

PUBLIC SECTOR AND THIRD-PARTY PROVIDERS

Connected sites for
York Regional Police, Township
of King, Town of Richmond Hill
and City of Vaughan

New connection for
Southlake Regional Health Centre
and preliminary agreement with
Mackenzie Health

Constructing backbone to
Town of East Gwillimbury
and across Major Mackenzie

MOU with two private sector
organizations and actively engaged
with three other parties

THE NETWORK

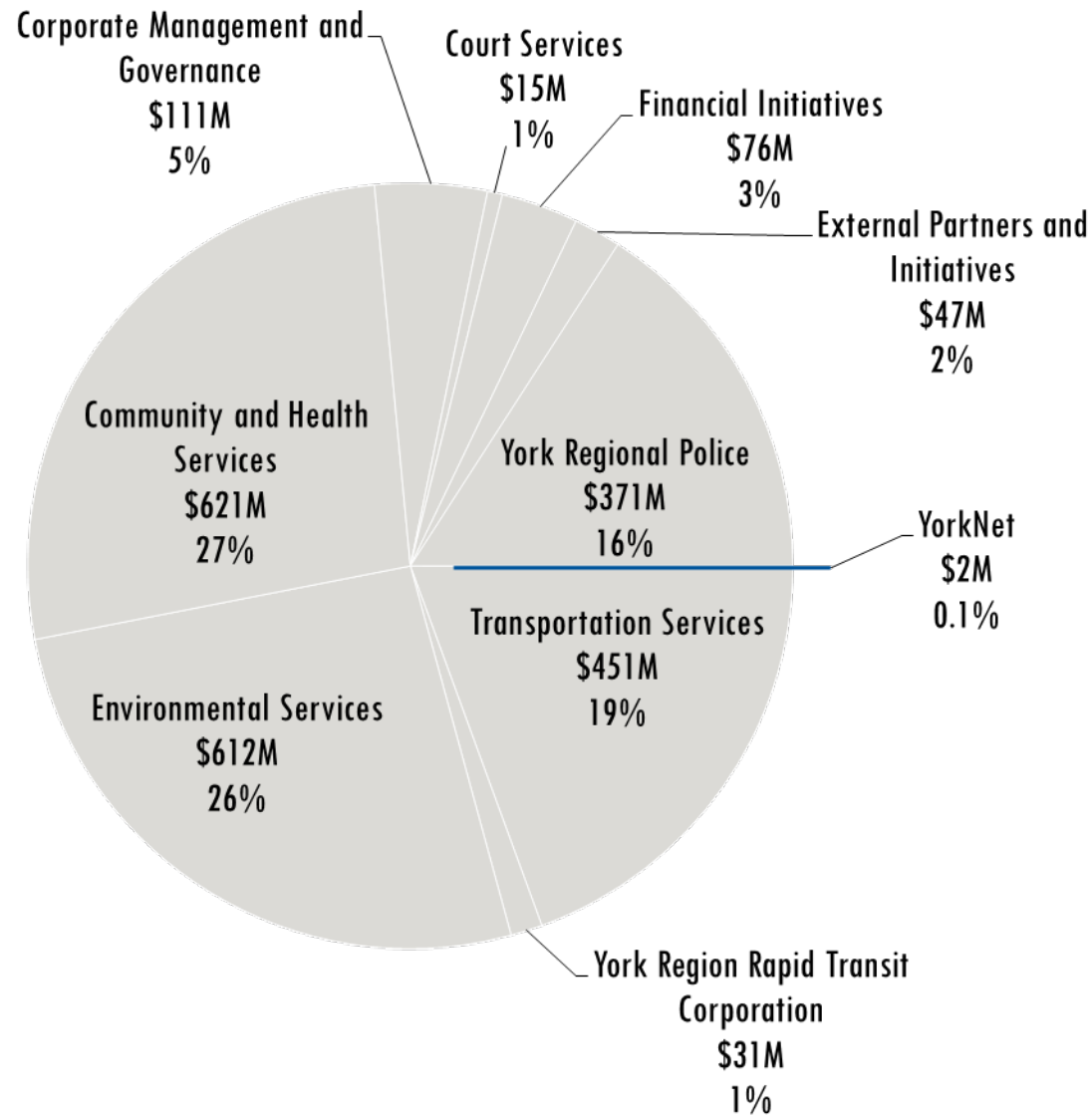
200km
of fibre in total

282
total connections

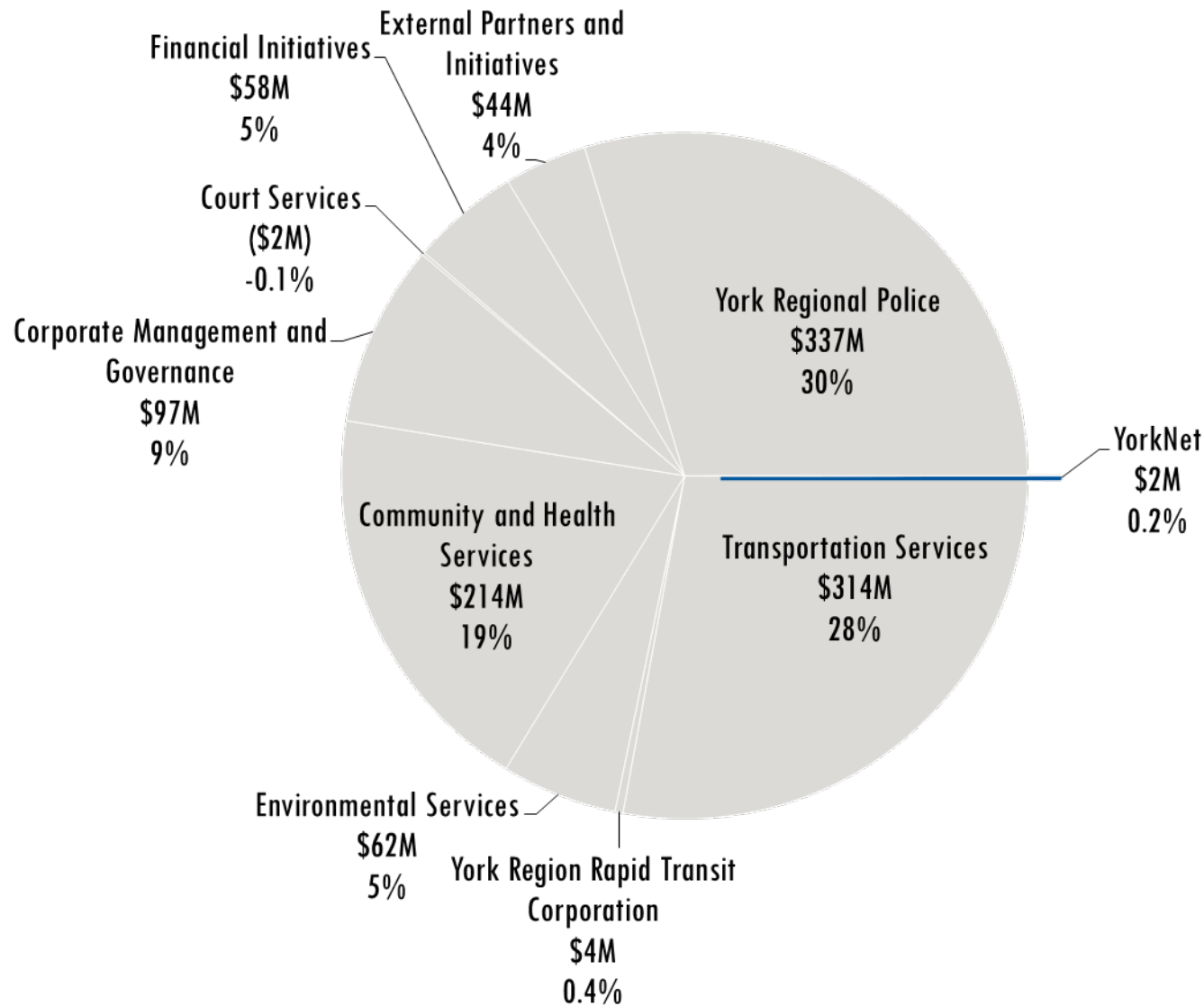
\$340k
invested in network
maintenance and fees
in 2018

OPERATING BUDGET

DEPARTMENTAL SHARE OF GROSS EXPENDITURES

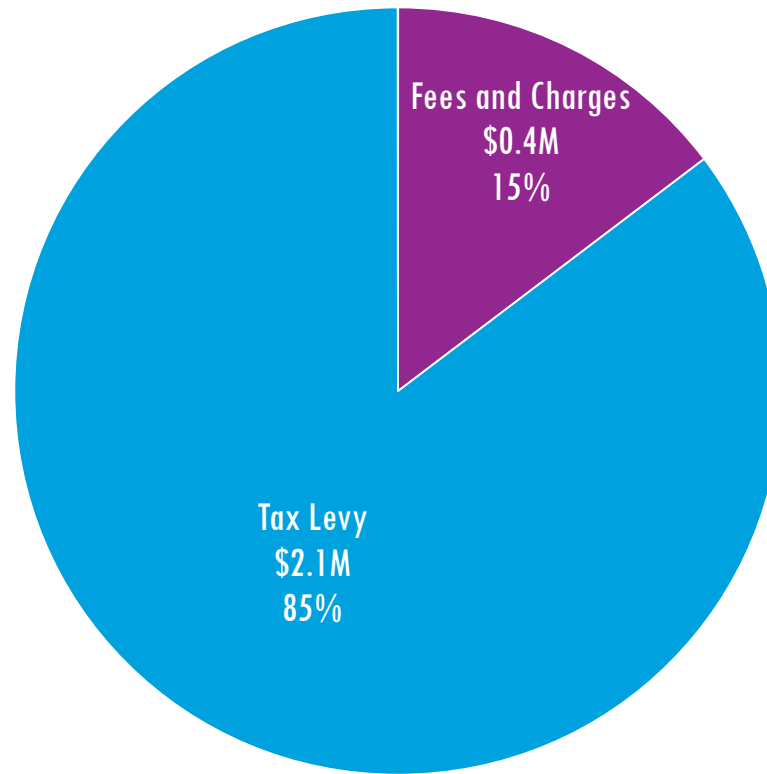


DEPARTMENTAL SHARE OF NET TAX LEVY



THE BUDGET IS FUNDED MOSTLY BY TAX LEVY

- YorkNet's gross spending of \$2.5M in 2019 is funded through tax and non-tax revenues



WHAT IS INCLUDED IN THE 2019 OPERATING BUDGET

2019-2022 operating budget covers program needs including:

- Capital funding for network construction
- Establishing reserves
- Funding for network maintenance
- Resourcing to plan, construct and maintain the network
- Conservative revenue projection

FOUR-YEAR OPERATING BUDGET OVERVIEW

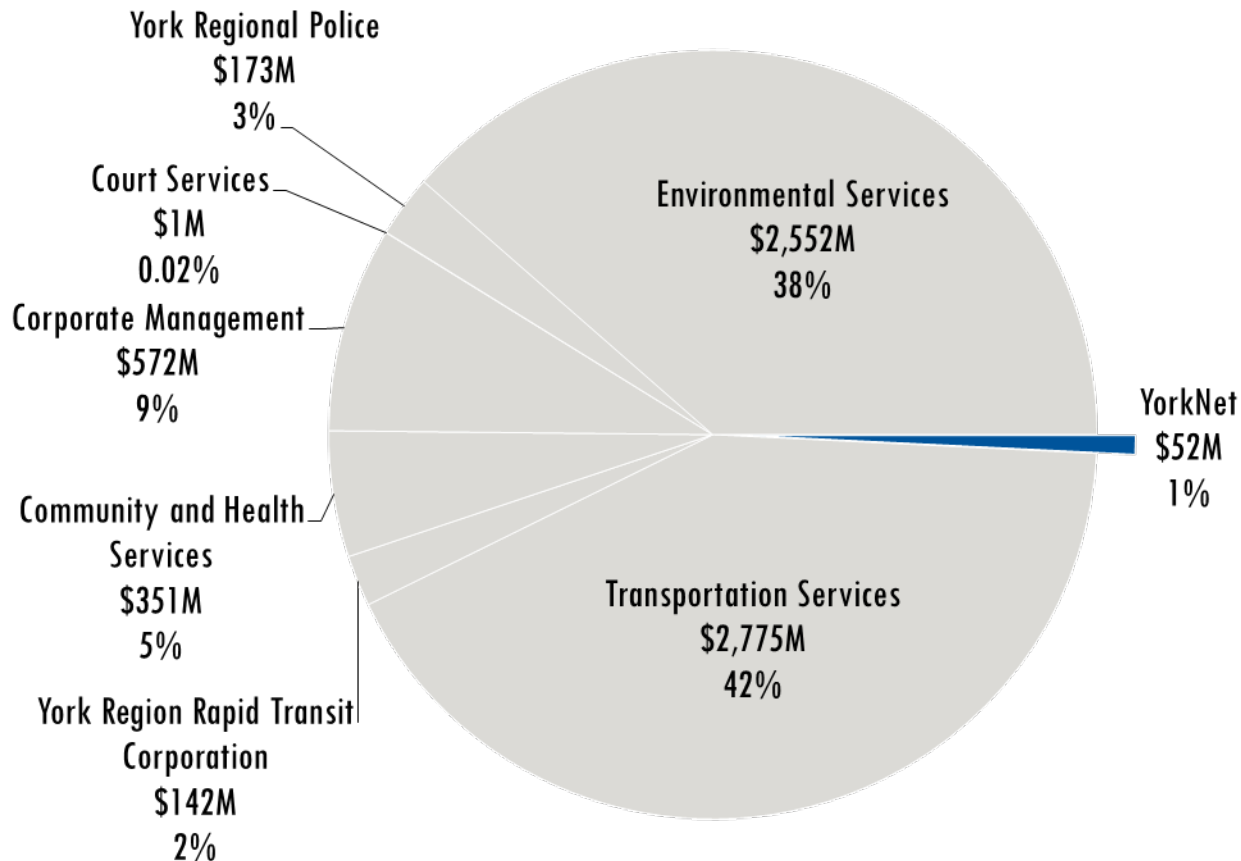
	APPROVED	PROPOSED	OUTLOOK		
	2018	2019	2020	2021	2022
Gross Expenditures (\$M):	1.7	2.5	2.9	3.1	3.2
Non-Tax Revenues (\$M)	(0.8)	(0.4)	(0.5)	(0.6)	(0.7)
Net Expenditures (\$M)	0.9	2.1	2.4	2.5	2.6
Increase/(Decrease)		140.8%	12.2%	5.5%	2.3%
FTEs - Total	6.0	8.0	9.0	9.0	9.0
- New		2.0	1.0	-	-

INCREMENTAL ANNUAL BUDGET CHANGES

\$M	PROPOSED	OUTLOOK		
	2019	2020	2021	2022
Status Quo	1.0	0.1	0.2	0.0
Efficiencies & Program Reductions	(0.2)	-	-	-
Capital Reserves & Debt Servicing	(0.5)	(0.2)	-	0.3
Fiscal Strategy	-	-	-	-
Maintaining Service Levels for Growth	0.4	0.2	(0.1)	0.1
Enhancement and Transformation	0.6	0.2	0.0	(0.4)
Budget Change	1.2	0.3	0.1	0.1

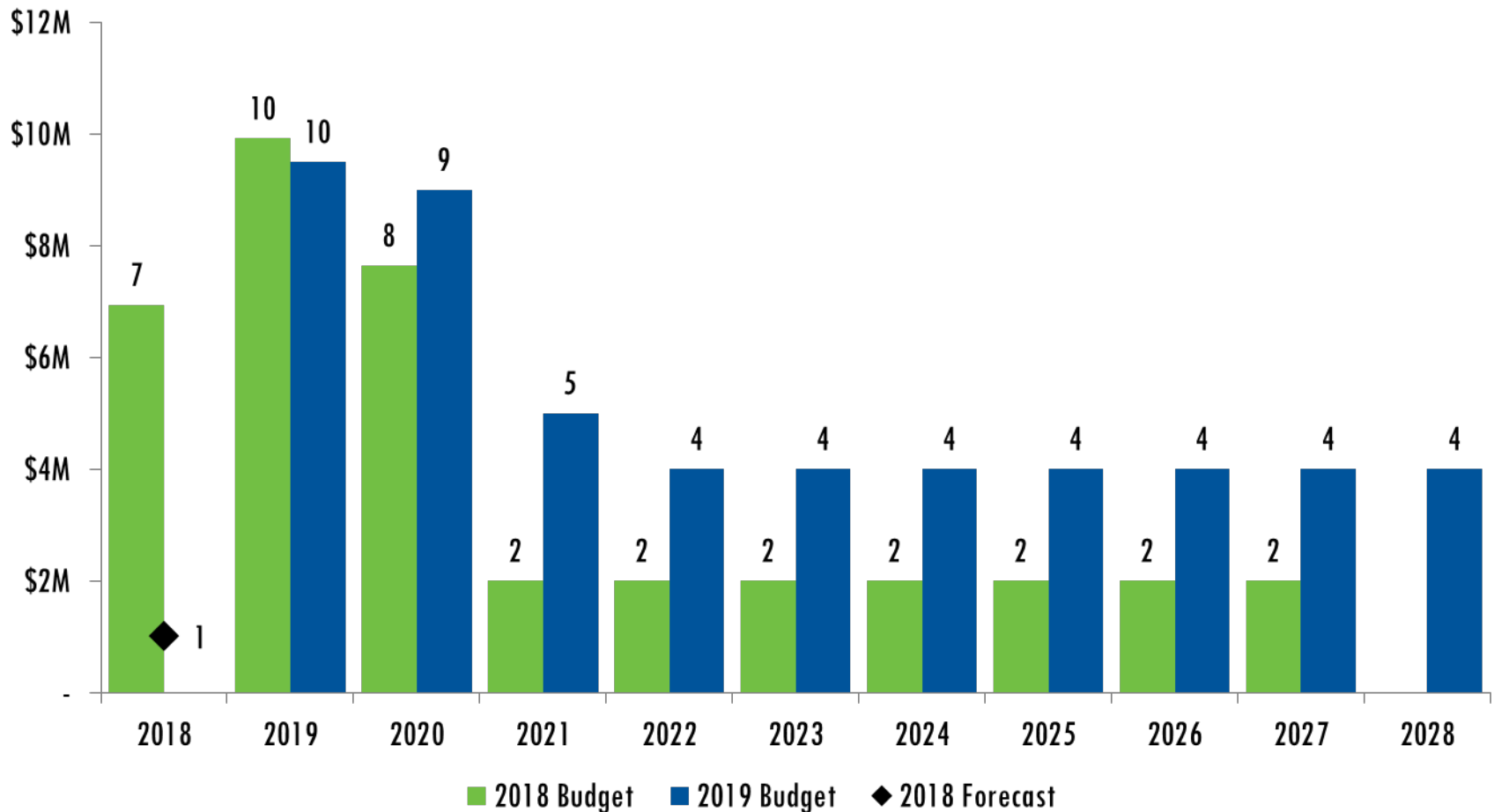
CAPITAL BUDGET

TEN-YEAR CAPITAL IS 1% OF THE REGION'S PLAN



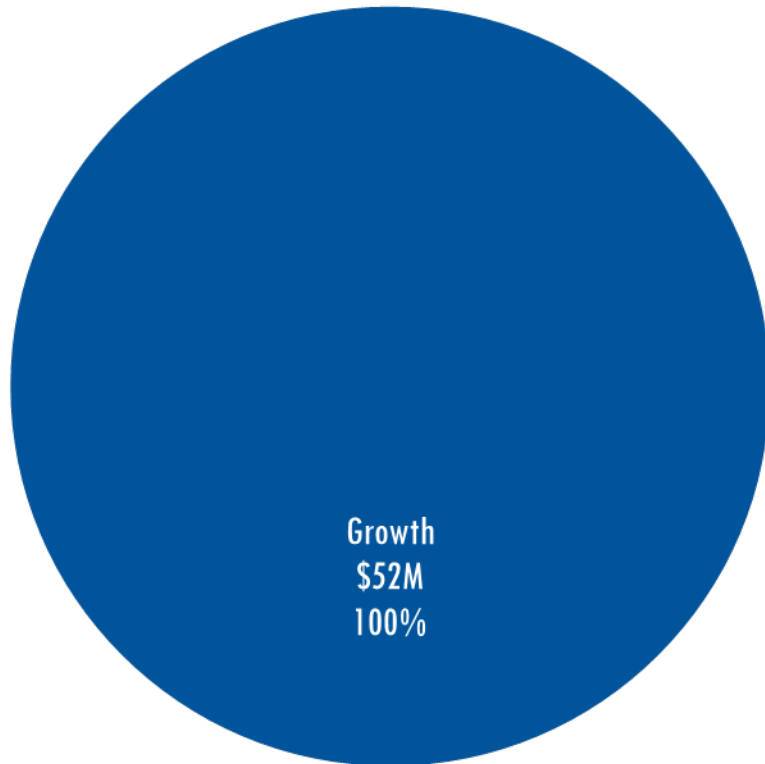
2019 PROPOSED BUDGET COMPARED TO 2018 BUDGET

- YorkNet's 2019 ten-year capital budget is \$52M which is \$13M more than the 2018 ten-year capital budget

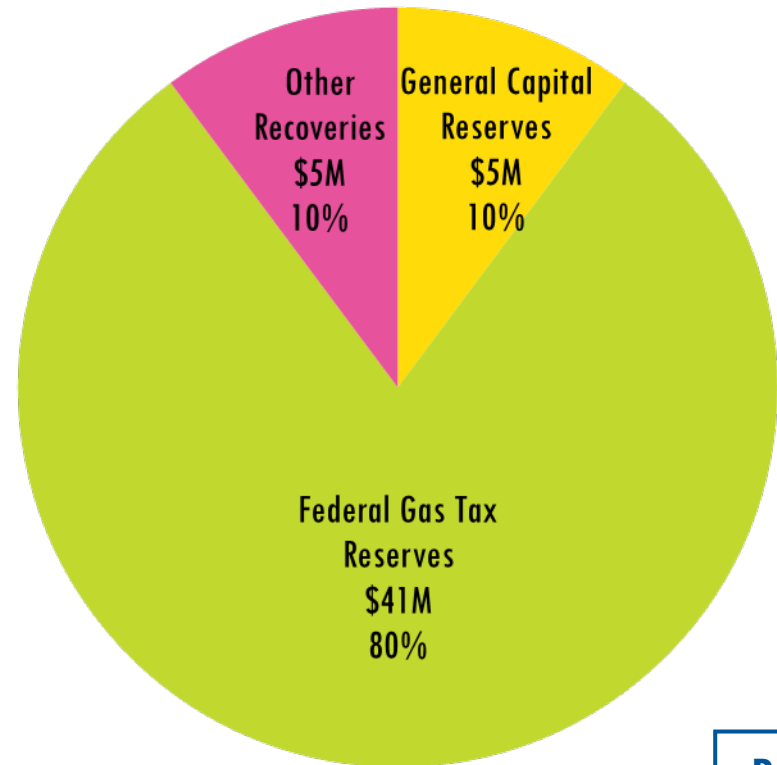


CAPITAL EXPENDITURES AND FUNDING

Gross Expenditures
\$52 Million

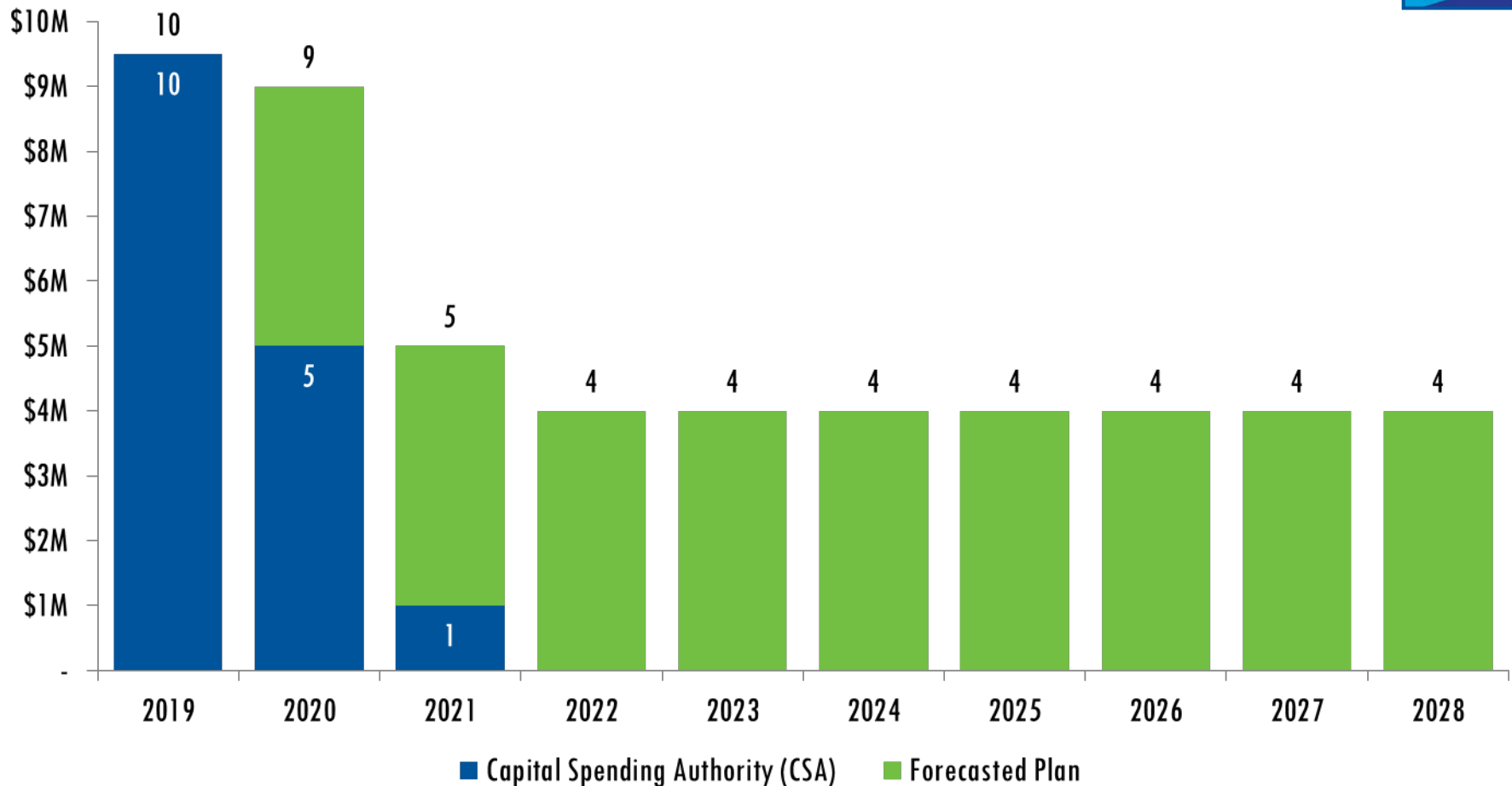


Funding Sources
\$52 Million



CAPITAL SPENDING AUTHORITY (CSA)

Capital Spending Authority \$16M
Ten-Year Capital Expenditures \$52M



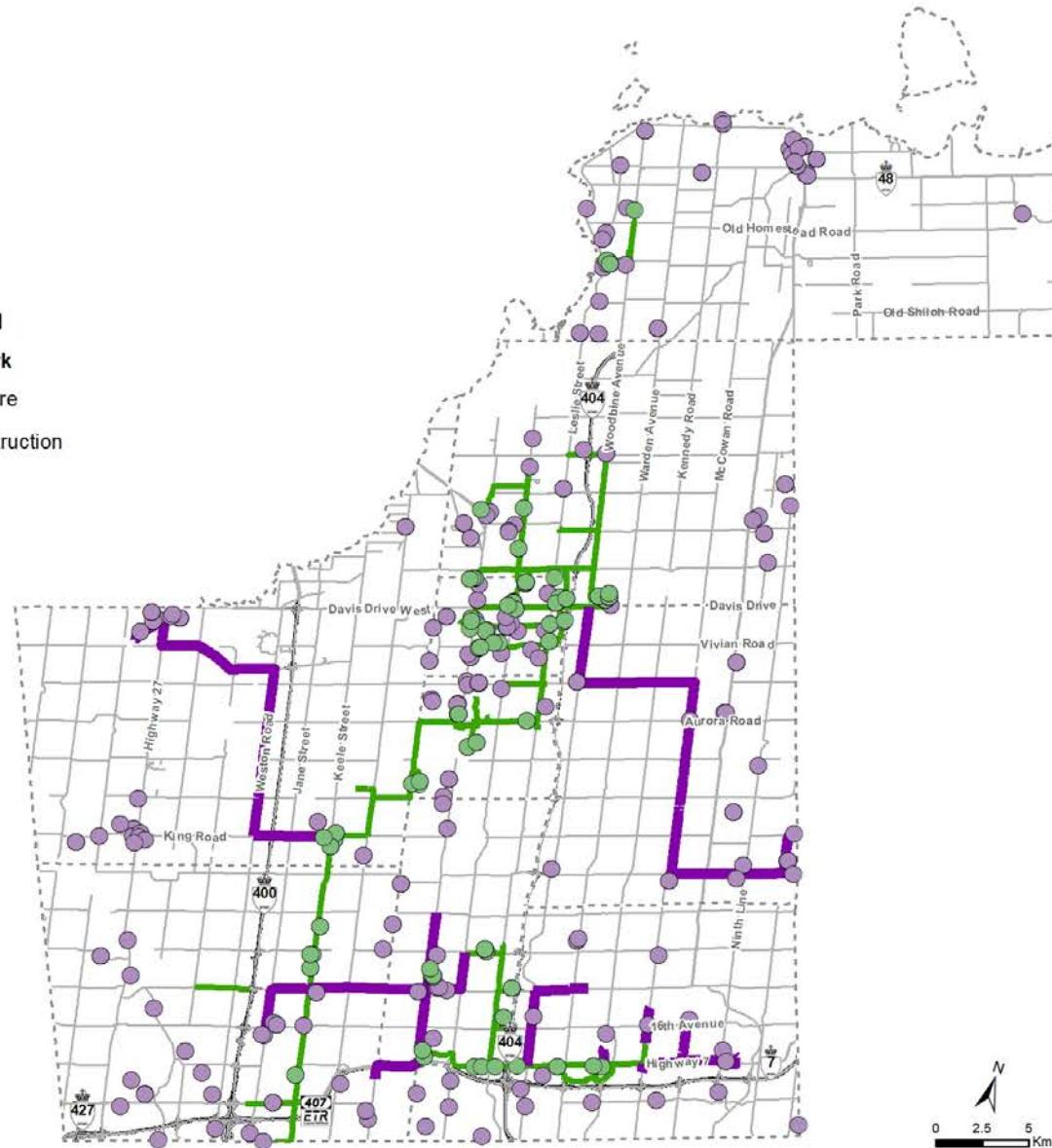
2019 DRAFT YORKNET CAPITAL PLAN

Facility

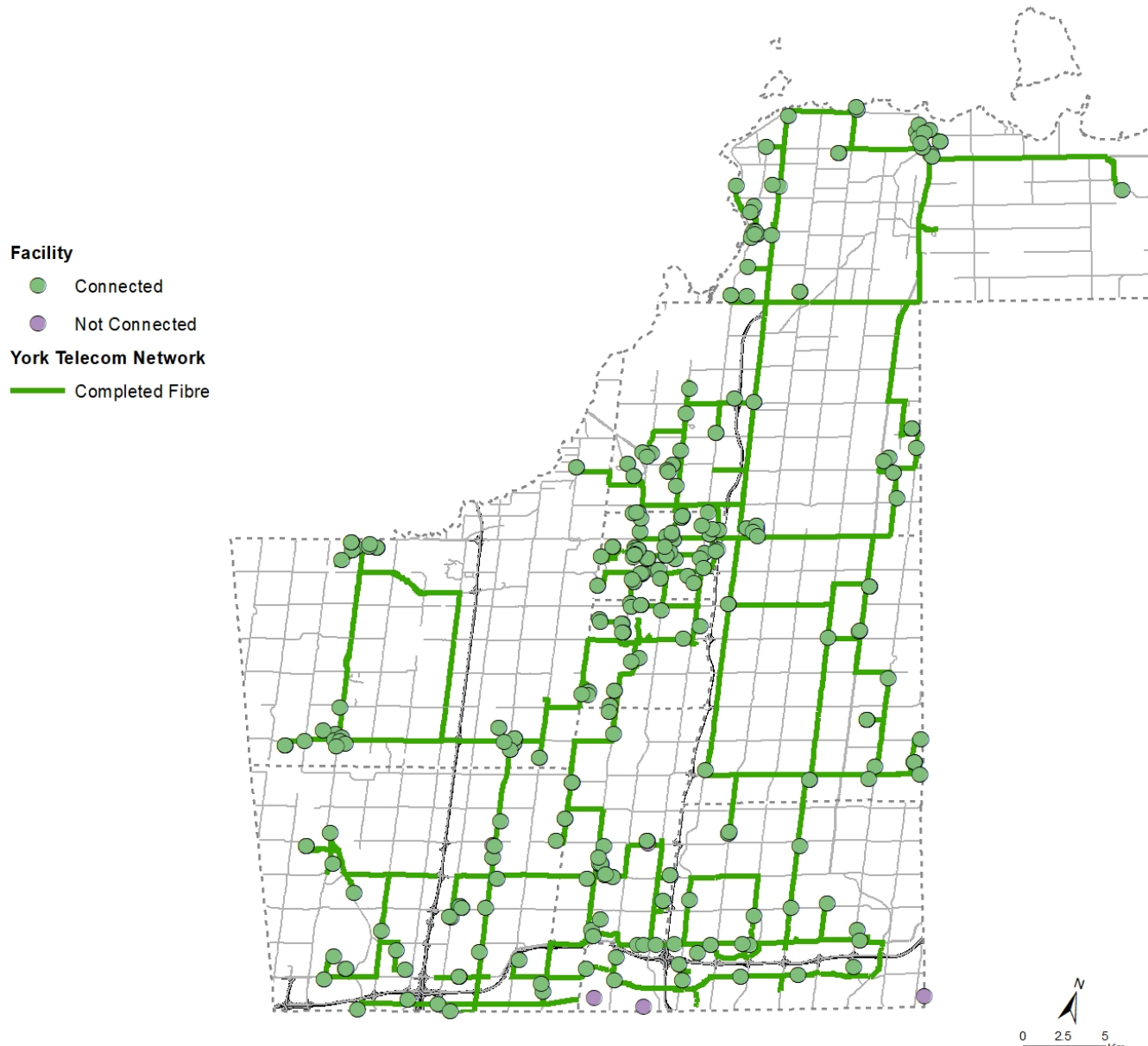
- Connected
- Not Connected

York Telecom Network

- Completed Fibre
- Planned Construction



PROPOSED YORKNET TEN YEAR CAPITAL PLAN



WRAP UP

THE BUDGET SUPPORTS THE 2019 TO 2023 STRATEGIC PLAN

- Connects Regional, Municipal and Public Sector facilities
- Increases bandwidth and flexibility
- Enhances service delivery and operations for Region and municipal partners
- Raises revenue from outside parties
- Facilitates Internet Service Providers connectivity in underserviced areas



ECONOMIC
VITALITY



GOOD
GOVERNMENT21

MULTI-YEAR BUDGET OVERVIEW

OPERATING BUDGET	APPROVED	PROPOSED	OUTLOOK		
	2018	2019	2020	2021	2022
Gross Expenditures (\$M)	1.7	2.5	2.9	3.1	3.2
Non-Tax Revenues (\$M)	(0.8)	(0.4)	(0.5)	(0.6)	(0.7)
Net Tax Levy (\$M)	0.9	2.1	2.4	2.5	2.6
FTEs - Total	6.0	8.0	9.0	9.0	9.0
- New		2.0	1.0	0.0	0.0
CAPITAL BUDGET					
2019 Capital Expenditures (\$M)					10
Total Capital Spending Authority (\$M)					16

BUDGET RECOMMENDATION

- Committee of the Whole recommends the budget as submitted for YorkNet as follows:
 - a. The 2019 operating budget and 2020 to 2022 operating outlook as summarized in Attachment 1
 - b. The 2019 capital expenditures and the 2019 Capital Spending Authority, as summarized in Attachment 2, where expenditures related to the Connect to Innovate (CTI) project are contingent on approval of the Region's CTI application to the federal government.
- The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration for Council approval on February 28, 2019.