



YORKNET

Presented to
CAO REVIEW & COMMITTEE OF THE WHOLE

Presented by
Laura Bradley, General Manager

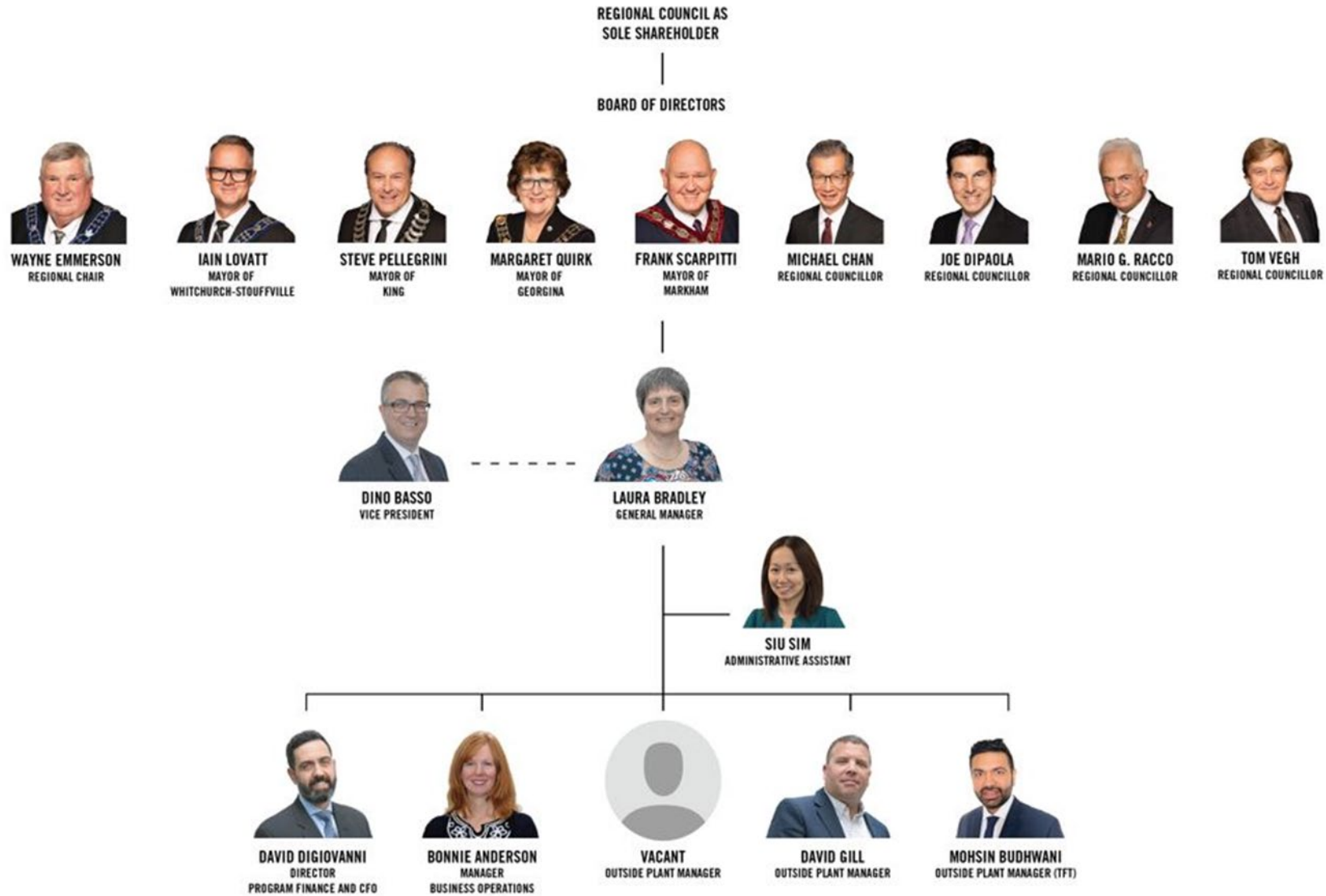
February 9, 2023


York Region

AGENDA

- Mandate and accomplishments
- Highlights for the 2023-26 Budget
- Alignment with the 2023 to 2027 Draft Strategic Plan
- Operating budget
- Capital budget
- Wrap Up

ORGANIZATIONAL CHART



THE THREE PILLARS OF YORKNET'S MANDATE

YorkNet builds and maintains a dark fibre network.



CONNECT
REGIONAL OPERATIONS

0101
1010



JOIN
LOCAL PARTNERS



SHARE WITH
PRIVATE SECTOR

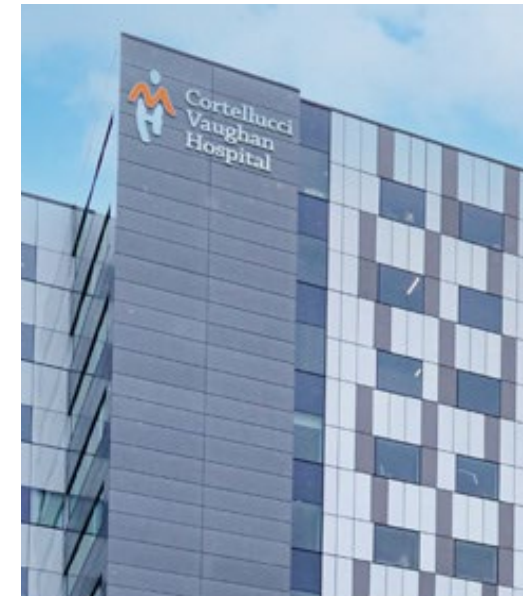
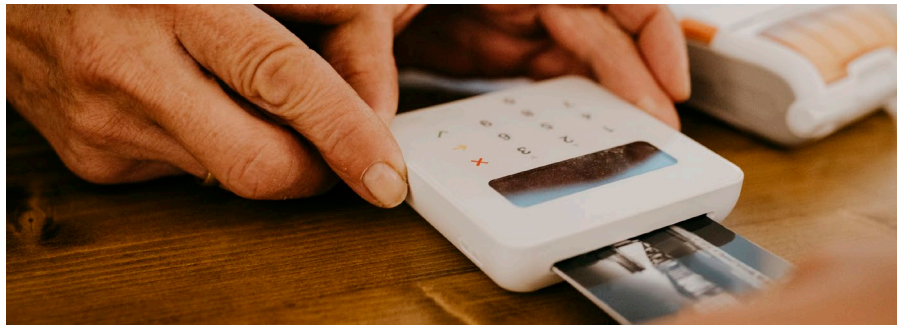


WE BUILD CRITICAL INFRASTRUCTURE

Building the foundational support for public services and business operations

MUNICIPAL AND COMMUNITY SERVICES

- Hospitals
- Community Centres, Pools, Arenas
- Libraries
- Schools
- Housing York Inc
- Seniors support



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Building the foundational support for public services and business operations

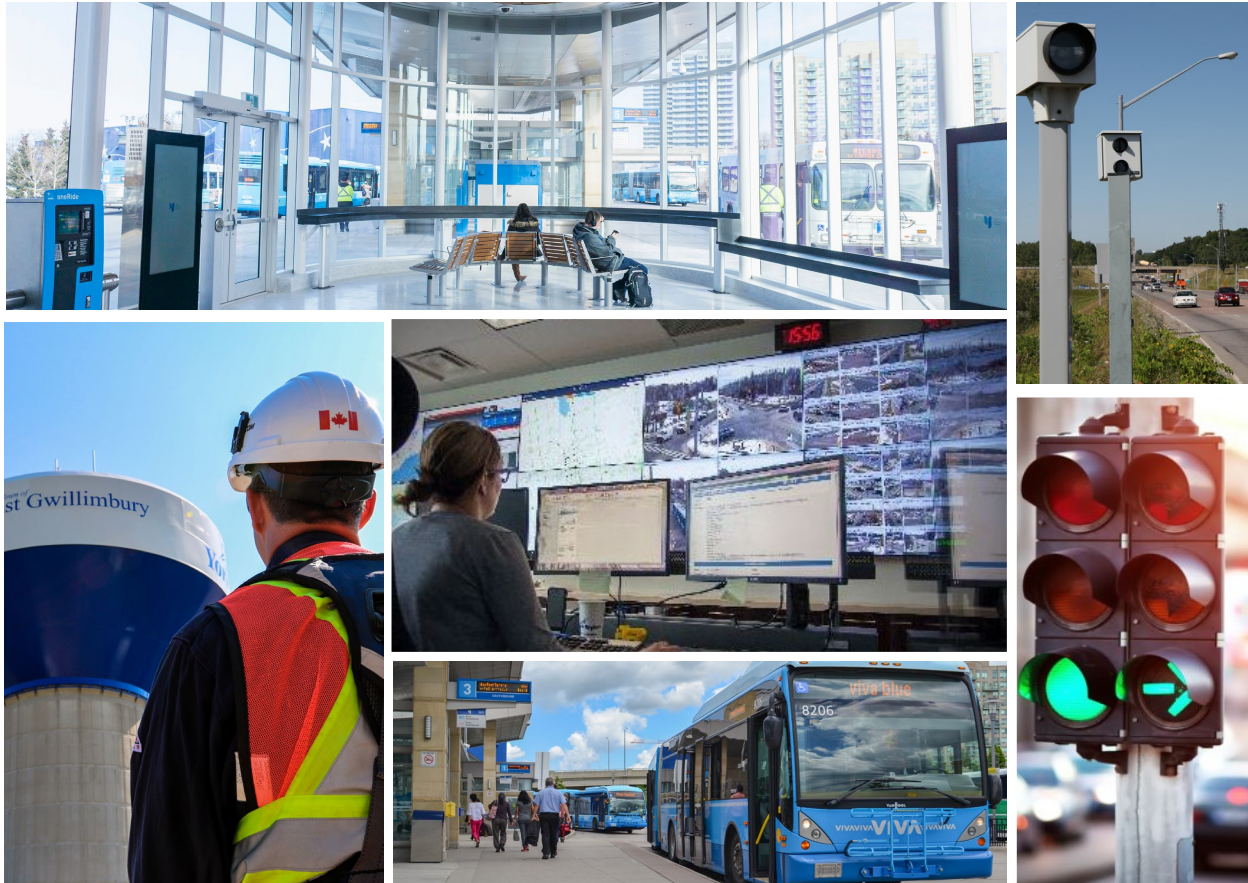
EMERGENCY SERVICES

- Police
- Paramedics
- Fire



WE BUILD CRITICAL INFRASTRUCTURE

Building the foundational support for public services and business operations



TRANSPORTATION

- Public transit
- Traffic management

ENVIRONMENTAL

- Water treatment and Monitoring

ADMINISTRATION

- Intranet and internet security
- Building automation and security systems

5 YEARS OF ACCOMPLISHMENTS



- **Created** governance and corporate policies



- **Developed** model that doubled annual fee revenue



- **Reduced** third-party connection costs



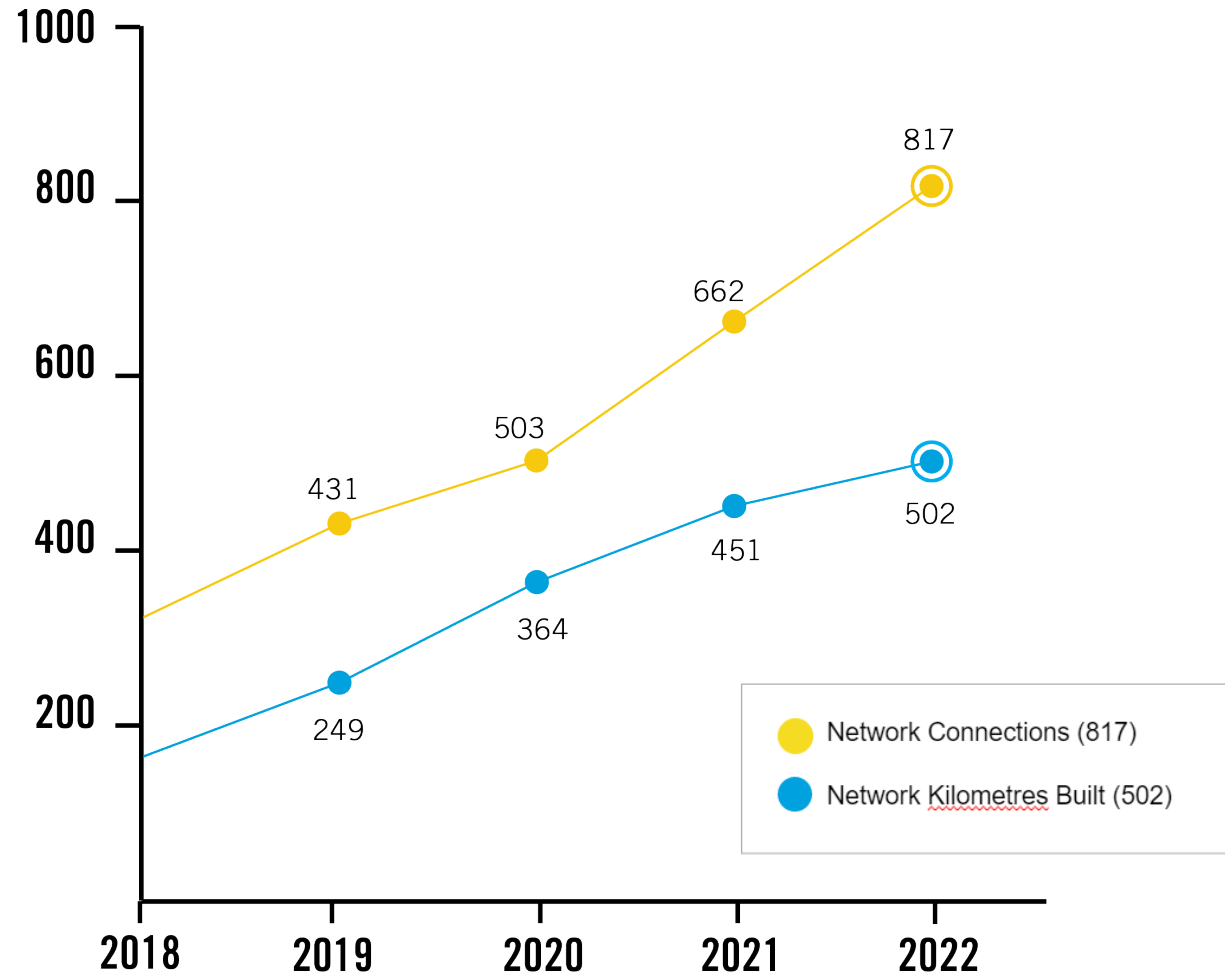
- **Secured** funding to significantly increase YorkNet's growth



- **Advanced** strategic plans to grow connections and revenue

5 YEARS OF ACCOMPLISHMENTS

NETWORK CONNECTIONS & KILOMETRES BUILT



155%

Grew network connections
from 320 to 817

164%

Network growth
(from 190 to 502 kms)

50 kms

network expansion into the
Town of Georgina through
government funding

100%

increase in annual fee revenue

60%

unique customers growth

PARTNERSHIPS AND ALLIANCES

REGIONAL PARTNERS

All Regional Departments
York Regional Police
York Region Rapid Transit Corporation

LOCAL COMMUNITY

Mackenzie Health Hospital
Southlake Regional Health Centre
York Region District School Board
York University

ADDITIONAL PARTNERS

Seven Internet Service Providers

LOCAL MUNICIPALITIES



HIGHLIGHTS FOR THE 2023-26 BUDGET

Provide the Region and MUSH sector partners with better, more cost effective, connectivity opportunities

Adding 800kms of fibre will provide the Region with necessary network diversity options

Expansion project to address connectivity equity across the Region, now underway

BUDGET HIGHLIGHTS



ECONOMIC
VITALITY

PRIORITY:

Foster Economic Prosperity

- Enable business attraction and retention in a data dependent world by providing access to fibre infrastructure



HEALTHY
COMMUNITIES

PRIORITY:

Support Community Well-Being

- Enable residents to access digital services that support community health, safety and well-being



SUSTAINABLE
ENVIRONMENT

PRIORITY:

Drive Environmental Stewardship

- Provide service provision enhancements that are more environmentally sustainable



GOOD
GOVERNMENT

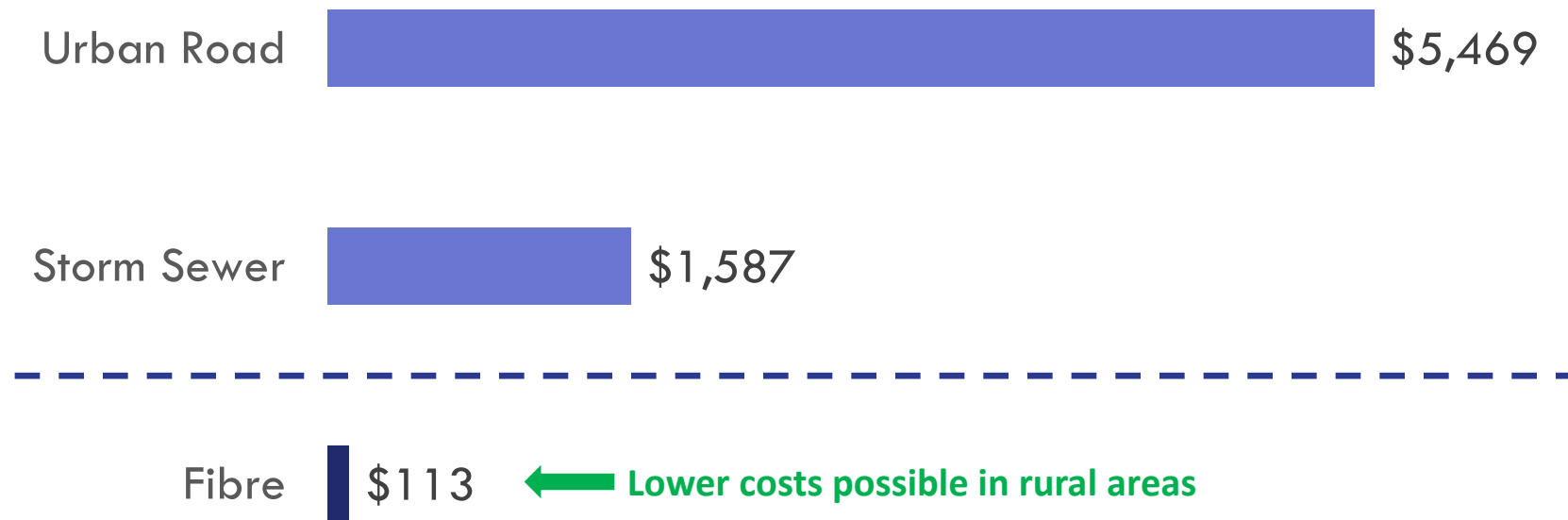
PRIORITY:

Efficiently Deliver Trusted Services

- Expand fibre network investment to provide greater control and reduce costs paid to outside parties

FIBRE IS AN AFFORDABLE FOUNDATIONAL INVESTMENT

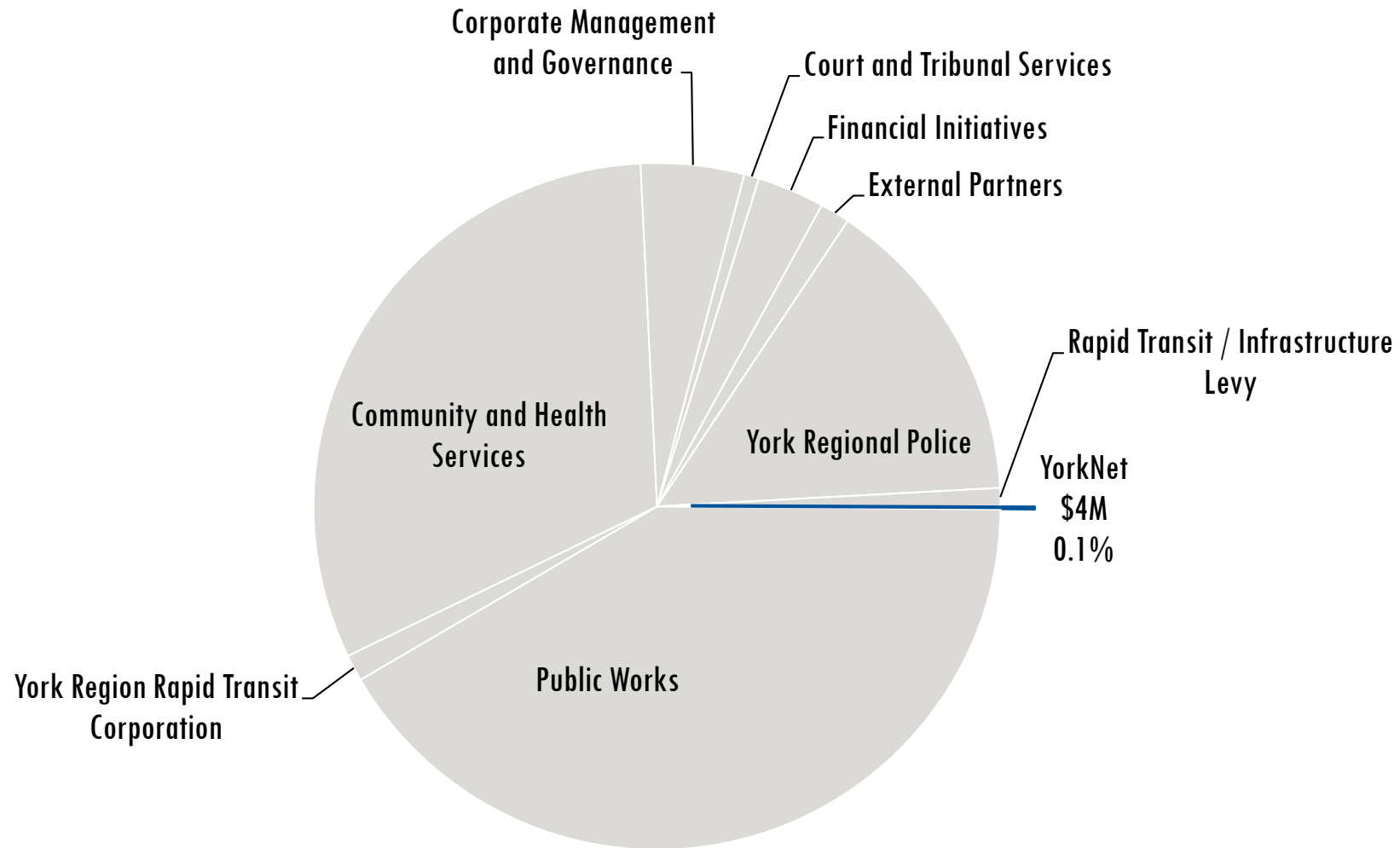
Average Cost Per Metre Comparison



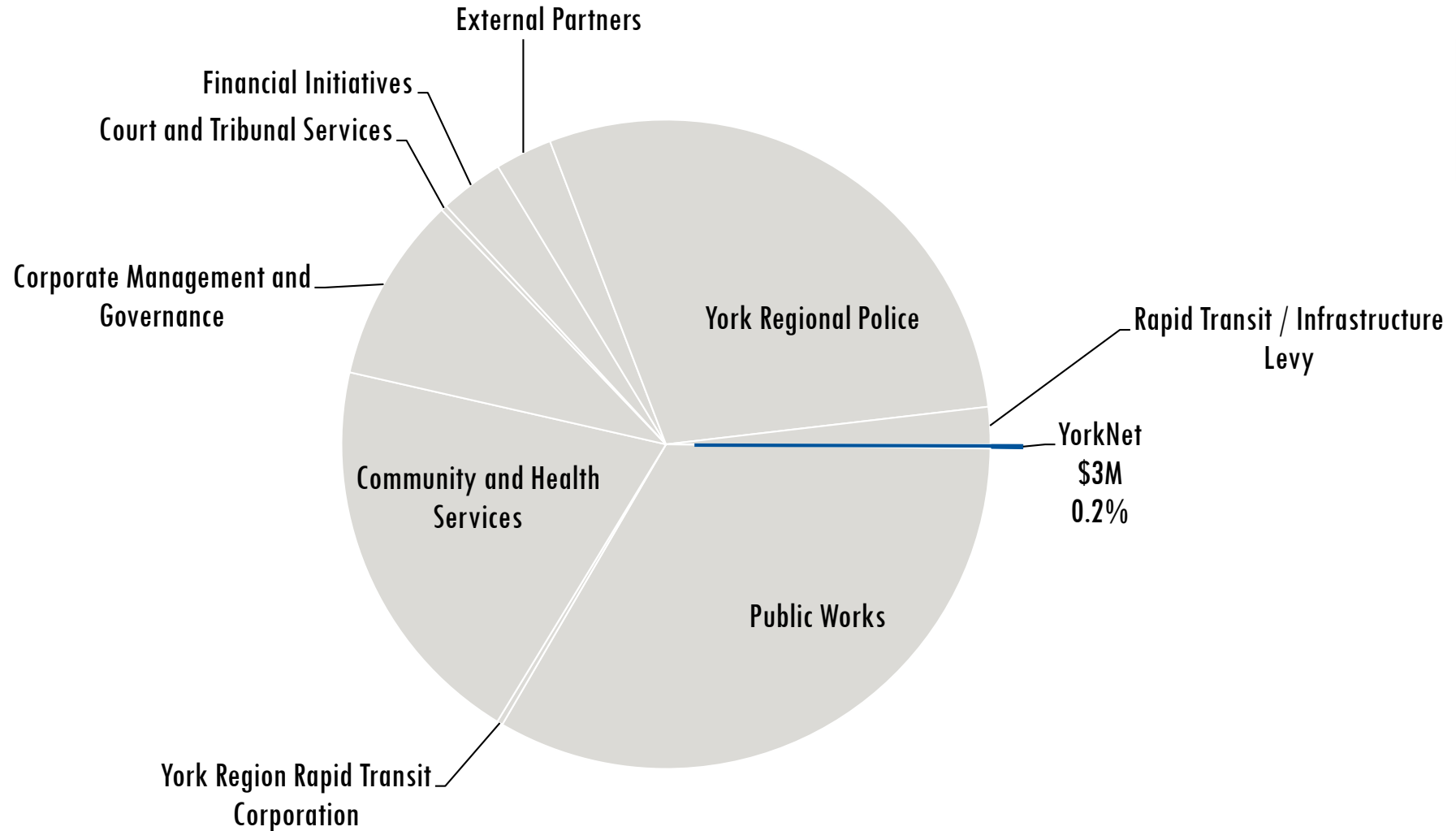
Fibre is an affordable investment, which can touch every citizen in many ways, every day:
Education opportunities, work, business operations, health, socialization

OPERATING BUDGET

YORKNET'S BUDGET IS 0.1% OF THE REGION'S EXPENDITURES



YORKNET'S BUDGET IS 0.2¢ OF THE REGION'S TAX DOLLAR



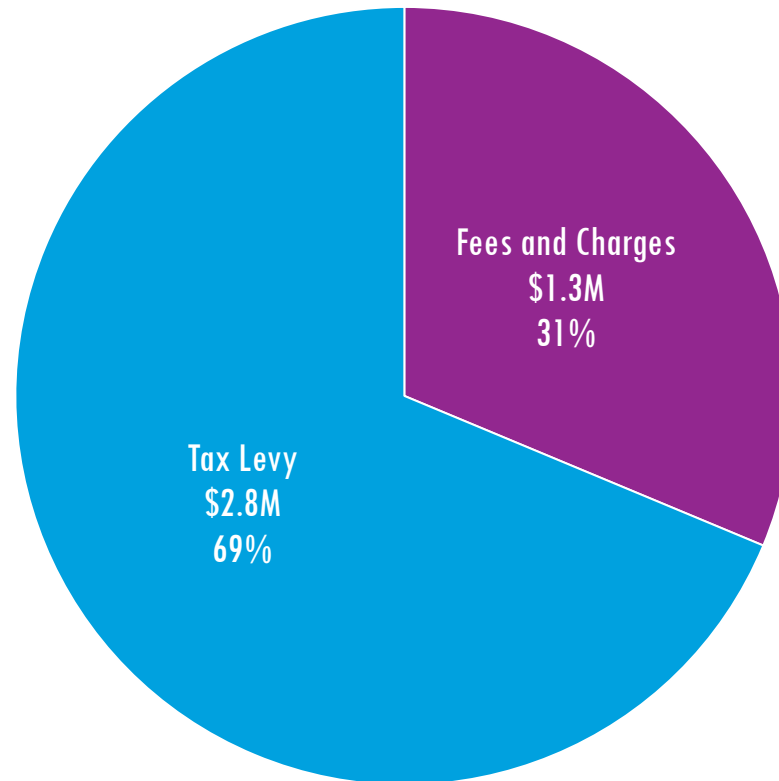
FOUR-YEAR OPERATING BUDGET OVERVIEW

(in \$M)	APPROVED*	PROPOSED	OUTLOOK		
	2022	2023	2024	2025	2026
Gross Expenditures:					
YorkNet	3.2	4.1	4.4	4.6	4.9
Non-Tax Revenues	(0.7)	(1.3)	(2.0)	(2.5)	(3.5)
Net Expenditures	2.4	2.8	2.3	2.1	1.4
Increase / (Decrease) - Year over Year		16.6%	-17.9%	-9.6%	-31.9%
FTEs - Total	13.0	15.0	15.0	15.0	17.0
- New		2.0	-	-	2.0

* Include in-year Restatements

THE BUDGET IS FUNDED THROUGH TAX AND NON-TAX REVENUES

YorkNet gross spending of \$4.1M in 2023 funded mostly by tax levy



INCREMENTAL ANNUAL BUDGET CHANGES

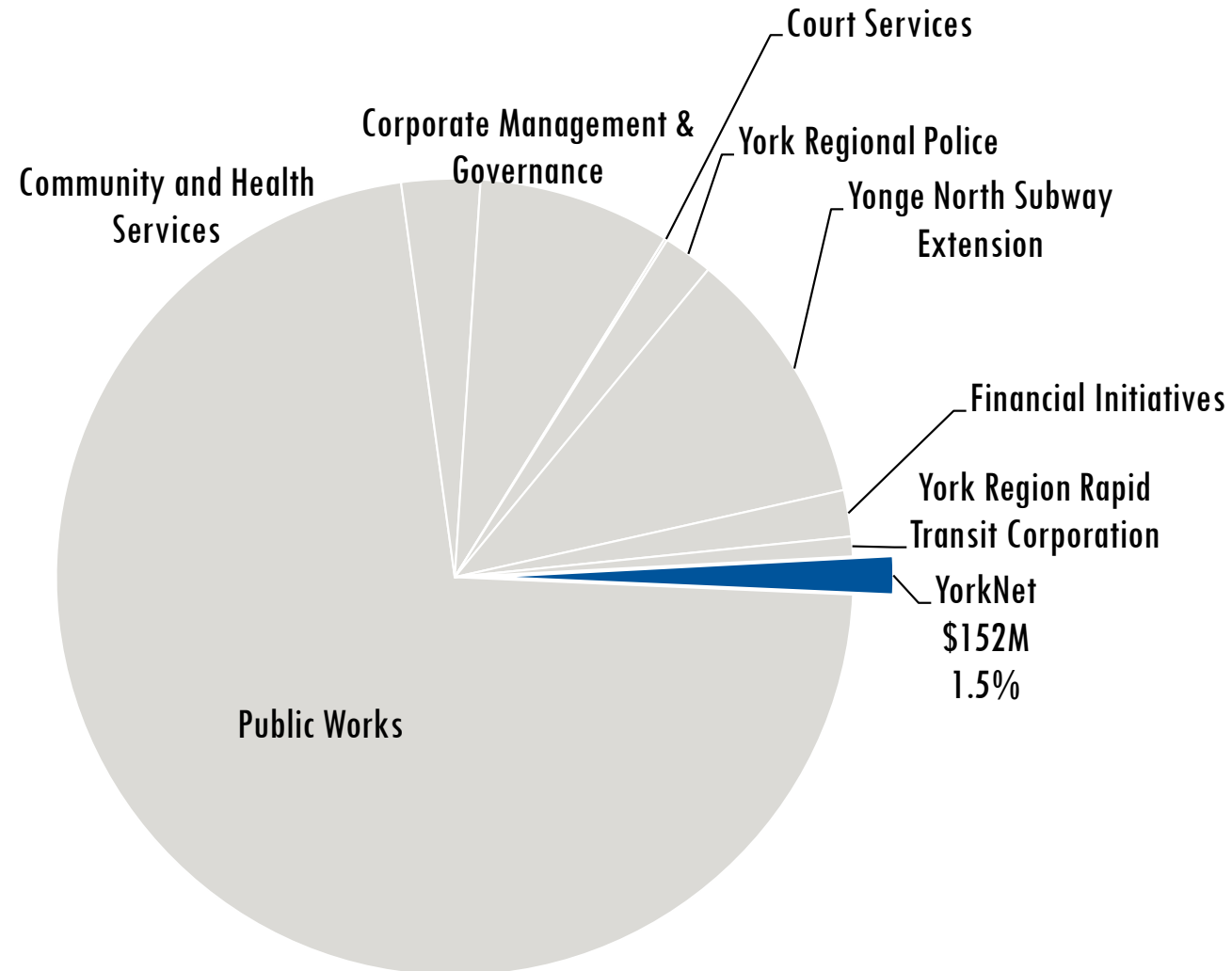
(in \$M)	PROPOSED	OUTLOOK			
	2023	2024	2025	2026	
Opening Budget (Net)	2.4	2.8	2.3	2.1	
Status Quo	0.3	0.1	0.1	0.1	
Revenues	(0.5)	(0.1)	(0.1)	(0.0)	
Efficiencies, Reductions & Other Adjustments	-	-	-	-	
Debt Servicing Net of Development Charges	-	-	-	-	
Fiscal Strategy	(0.1)	-	-	-	
Maintaining Service Levels for Growth	-	-	-	0.1	
Enhancement and Transformation	0.7	(0.5)	(0.3)	(0.8)	
Impacts of COVID-19	-	-	-	-	
Proposed Budget (Net)	2.8	2.3	2.1	1.4	
Total Budget Change	\$ 0.4	(0.5)	(0.2)	(0.7)	
	% 16.6%	-17.9%	-9.6%	-31.9%	

CAPITAL BUDGET

PROPOSED CAPITAL BUDGET

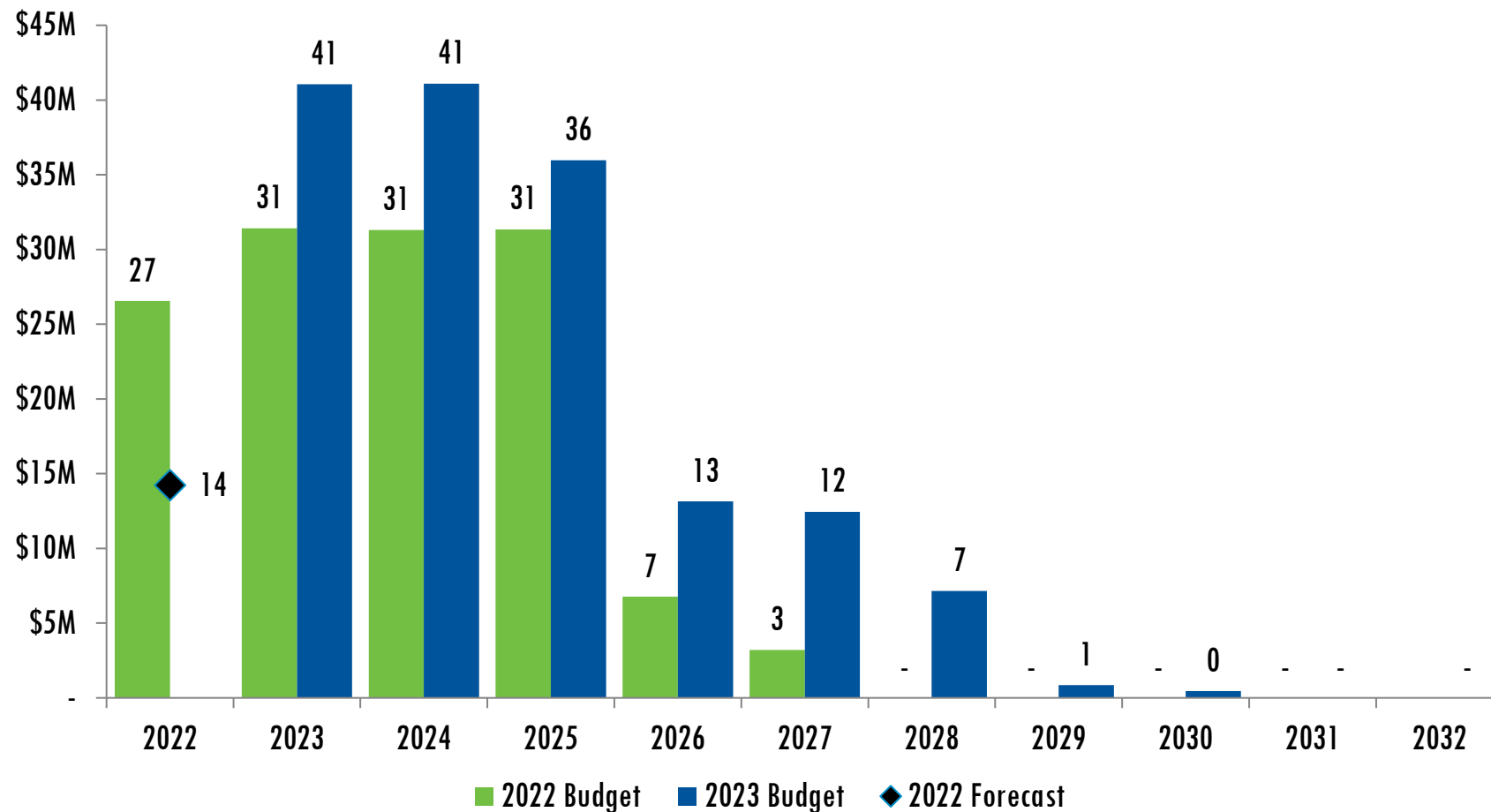
Capital Budget	\$ in millions
2023 Capital	\$41.1M
Ten-Year Capital Plan	\$152.2M
Capital Spending Authority	\$152.2M

TEN-YEAR CAPITAL PLAN IS 1.5% OF THE REGION'S PLAN



2023 CAPITAL PLAN COMPARED TO 2022 CAPITAL PLAN

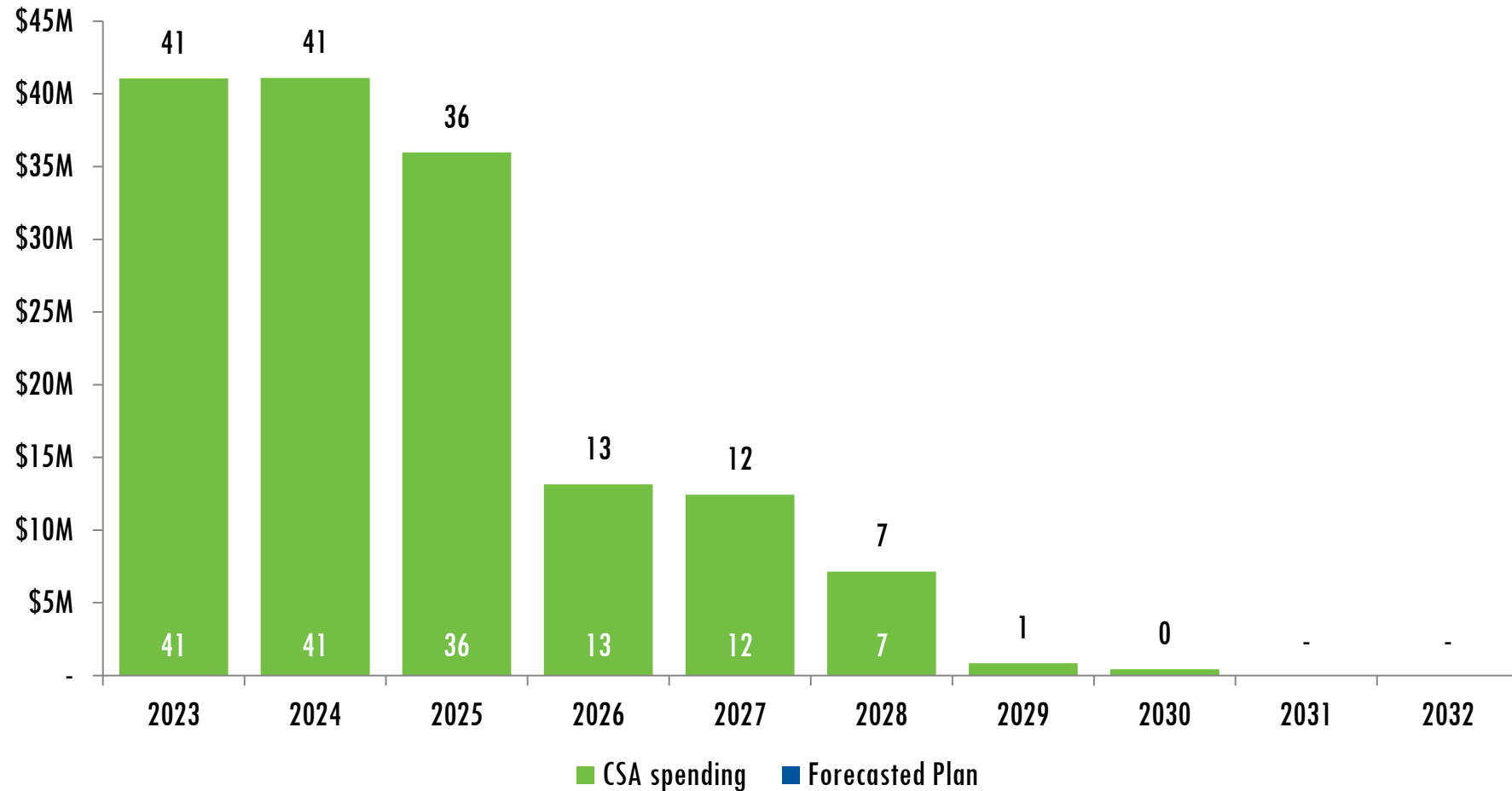
YorkNet's 2023 ten-year capital plan is \$152M which is \$22M more than the 2022 ten-year capital plan



CAPITAL SPENDING AUTHORITY (CSA)

Capital Spending Authority \$152M

Ten-Year Capital Expenditures \$152M



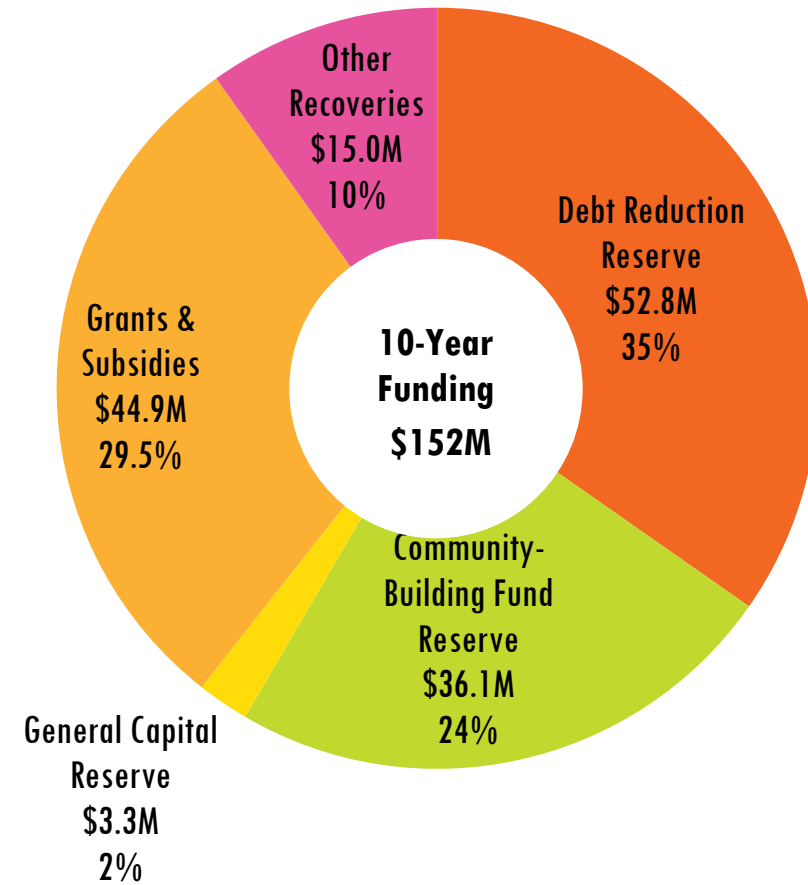
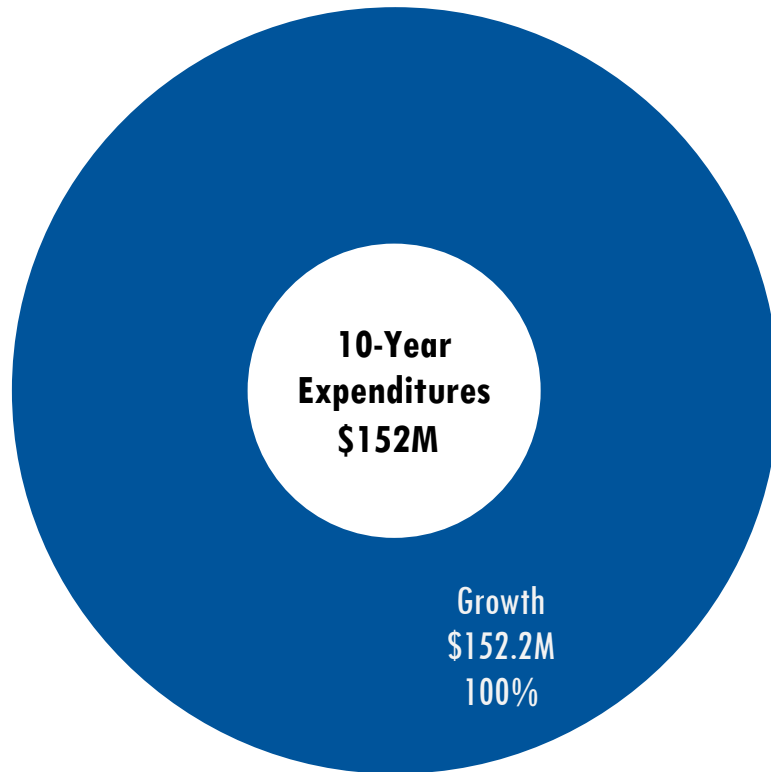
SUMMARY OF THE CAPITAL BUDGET

Increase the network to approximately 1,500 km by 2028

Connect 1,400 Regional & Municipal sites by 2028

Connectivity across the Region

CAPITAL EXPENDITURES AND FUNDING



WRAP UP

THE FUTURE IS BRIGHT FOR BROADBAND IN YORK REGION



- Build connectivity for the Region
- Collaborate with Local Municipalities
- Collaborate with private sector

MULTI-YEAR BUDGET OVERVIEW

OPERATING BUDGET

	PROPOSED 2023	2024	OUTLOOK	
			2025	2026
Gross Expenditures (\$M)	4.1	4.4	4.6	4.9
Non-Tax Revenues (\$M)	(1.3)	(2.0)	(2.5)	(3.5)
Net Tax Levy (\$M)	2.8	2.3	2.1	1.4
FTEs - Total	15.0	15.0	15.0	17.0
- New	2.0	-	-	2.0

CAPITAL BUDGET

2023 Capital Expenditures (\$M)	41.1
Ten-year Capital Plan (\$M)	152.2
Capital Spending Authority (\$M)	152.2

BUDGET RECOMMENDATION

1. Committee of the Whole recommends the budget as submitted for YorkNet as follows:
 - a. The 2023 operating budget and 2024 to 2026 operating outlook as summarized in Attachment 1.
 - b. The 2023 capital expenditures and 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 February 23, 2023.