



---

Report of the Commissioner of Finance  
**2024 to 2026 Budget – York Region Rapid Transit Corporation**

---

## 1. Recommendations

1. Committee of the Whole recommends the budget as submitted for York Region Rapid Transit Corporation as follows:
  - a. The 2024 operating budget and 2025 to 2026 operating outlook as summarized in Appendix A.
  - b. The 2024 capital expenditures and Capital Spending Authority, as summarized in Appendix B
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on December 21, 2023.

## 2. Purpose

This report provides a summary of the 2024 to 2026 Operating and 2024 Capital Budget for York Region Rapid Transit Corporation for consideration by Committee of the Whole. Details of the budget can be found on page 107 of the [2024 to 2026 Budget Book](#).

### Key Points:

- Following completion of the Bus Rapid Transit (BRT) Prioritization exercise endorsed by Council on October 26, 2023, York Region Rapid Transit Corporation's 2024 10-Year Capital Budget will advance environmental assessment and preliminary engineering work for BRT priority projects
- Bus rapid transit infrastructure supports transit-oriented development, continuing rapid population and job growth and increasing housing demand within York Region and supports seamless mobility throughout York Region and the GTHA

- Advancing preliminary work for priority bus rapid transit corridors helps to ensure projects are shovel-ready when much-needed construction funding from senior levels of government becomes available
- YRRTC's 2024 capital budget also includes funding to ensure ongoing collaboration with York Region, Metrolinx and the local municipalities to advance the Yonge North Subway Extension (YNSE) project
- The 2024 proposed gross operating expenditures are \$36.6 million, which is 1.2% of total Regional operating expenditures
- After non-tax revenues of \$32.4 million, the proposed net operating budget is \$4.2 million, or 0.3% of the Region's net expenditures, representing an increase of 8.58% from the 2023 budget
- The 2024 proposed capital budget is \$8.9 million, or 0.9% of the proposed total Regional capital expenditures, with proposed Capital Spending Authority of \$78.0 million
- In addition to the proposed operating budget and capital plan, York Region Rapid Transit Corporation continues to work with York Region to advocate for senior government funding to complete construction of the bus rapid transit network. This initiative is presented in the table on page 113 of the Budget Book which provides a list of projects that are not included in the 2024 capital plan as funding commitments from senior levels of government are required

### 3. Background

York Region Rapid Transit Corporation plans, designs and delivers a rapid transit system attracting, moving and connecting people to York Region's urban centers and destinations.

#### **2023 Budget approved on February 23, 2023 included an operating outlook for 2024-2026**

The 2023 Budget approved on February 23, 2023 included a 2024 to 2026 outlook with tax levy increases of 2.75%, 2.60% and 2.60%, respectively, and an additional Rapid Transit / Infrastructure Levy of 1% in each year to help fund the Yonge North Subway Extension and other critical infrastructure such as future Bus Rapid Transit and affordable housing projects. This outlook reflected budget amounts for Regional departments and key service areas.

#### **2024 Budget was tabled with Council on November 23, 2023**

The [2024 Budget Directions](#) report established the timeline of tabling the 2024 to 2026 Budget in November 2023, with departmental reviews by Committee of the Whole on November 30 and December 7, and final approval by Council scheduled for December 21, 2023.

The proposed 2024 to 2026 Operating and 2024 Capital Budget was tabled with Council on November 23, 2023. It included a proposed tax levy increase of 2.75%. The tabled budget also includes an additional Rapid Transit / Infrastructure Levy of 1%, which is consistent with funding

requirements identified as part of the [2023 Regional Fiscal Strategy](#) report, [2024 Budget Directions](#) report, and the [2023 Fiscal Sustainability Update](#). The budget as tabled was received and referred to the meetings of Committee of the Whole for consideration and recommendation.

## **2024 Budget is the second year of the 2023-2026 Multi-year Budget covering the term of Council**

The operating budget as presented includes the proposed 2024 budget and an outlook for 2025 to 2026. The outlook will be reviewed annually through the 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 2024 to 2026 budget, Council is asked to approve the 2024 proposed operating budget and endorse the 2025 to 2026 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 spending authority beyond the current budget year.

Capital Spending Authority is requested for 2024 capital expenditures and for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve the proposed 2024 capital expenditures and associated funding sources, as well as the multi-year Capital Spending Authority and associated funding sources.

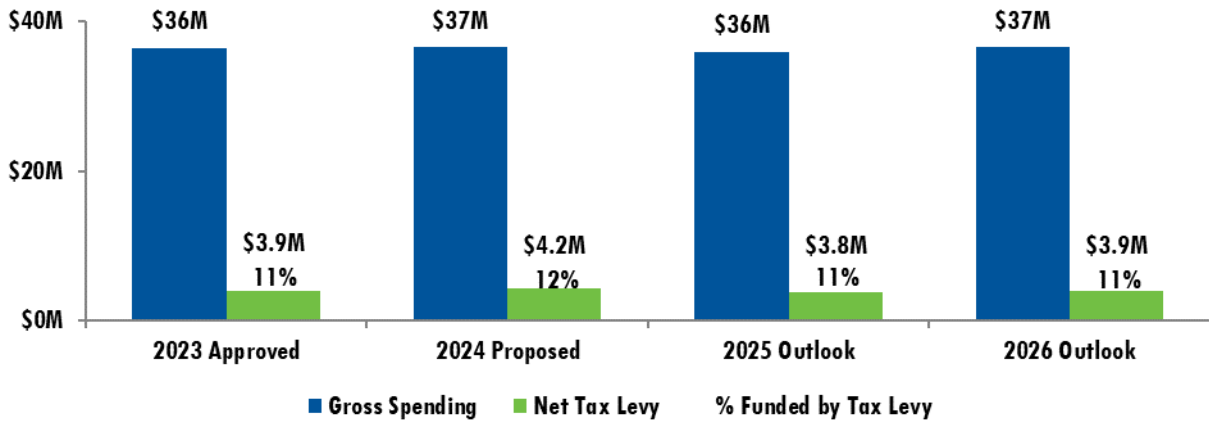
## **4. Analysis**

### **Operating Budget - Approval of 2024 gross expenditures of \$36.6 million and net expenditures of \$4.2 million is requested**

The budget includes gross operating expenditures (i.e., 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, gross operating expenditures are primarily comprised of salaries and benefits, professional contracted services, and debt repayments. Non-tax revenues, including development charges and reserves, offset a majority of these costs.

The 2024 proposed gross operating expenditures for York Region Rapid Transit Corporation are \$36.6 million, or 1.2% of total Regional expenditures. The proposed 2024 net expenditures of \$4.2 million are 0.3% of the total, representing an increase of 8.58% from 2023 budget. The tax levy funds 11.5% of York Region Rapid Transit Corporation 2024 gross expenditures, as shown in Figure 1 on the next page.

**Figure 1**  
**2024 Gross and Net Operating Expenditures**



**The York Region Rapid Transit Corporation’s net operating budget reflects an increase to support planning for BRT projects**

YRRTC’s proposed 2024 net budget is \$4.2 million, an increase of 8.58% from the previous budget.

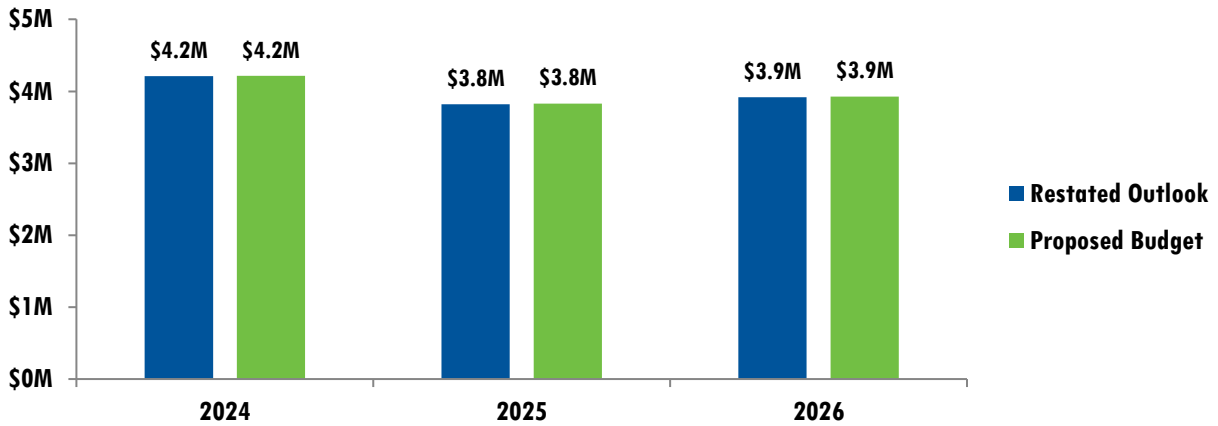
The department’s proposed 2024 net budget is higher than the 2023 budget mainly due to temporary staff supports and general office expenses. The temporary positions are intended to support the capital program that will advance environmental assessments and preliminary engineering design work to help the Region remain in a state of readiness to receive funding from senior levels of government and deliver the next generation of the BRT program and to support the capital program.

The percentage increase in the proposed York Region Rapid Transit Corporation budget does not reflect any offset from assessment growth revenue, as assessment growth is applied to reduce the overall Regional tax levy, rather than apportioned to individual departments.

**Proposed York Region Rapid Transit Corporation 2024 operating budget is unchanged from outlook**

As illustrated in Figure 2 on the next page, the proposed York Region Rapid Transit Corporation 2024 to 2026 net budget is unchanged from the proposed outlook. The proposed increases compared to the 2023 budget are consistent with those anticipated as part of the Outlook in the 2023 Budget.

**Figure 2**  
**2024 Proposed Net Budget Compared to Outlook**



**Capital Budget - Approval of 2024 capital expenditures of \$8.9 million and Capital Spending Authority of \$78.0 million is requested**

York Region Rapid Transit Corporation’s capital budget enables the Region to remain in a state of readiness to secure funding from senior levels of government for construction of critical bus rapid transit infrastructure projects that will support population and growth, improve safety, and reduce congestion throughout York Region’s Centres and Corridors.

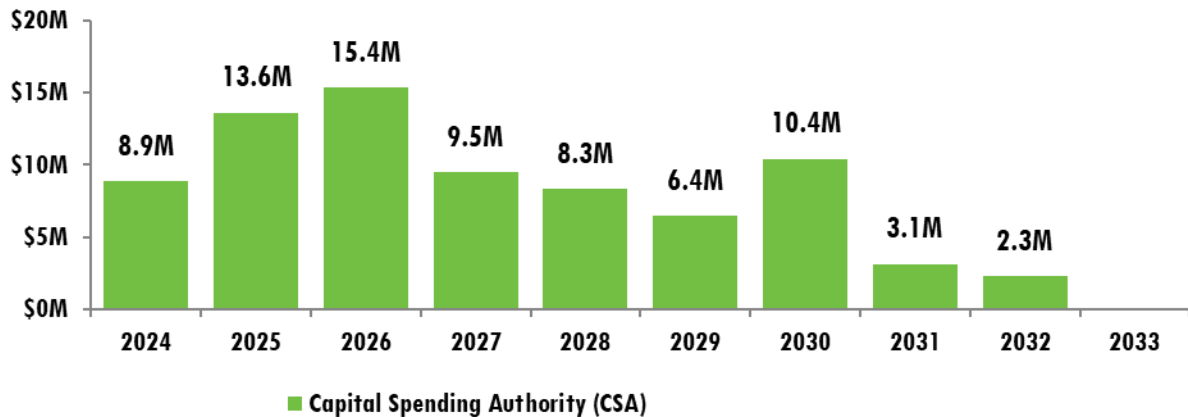
Projects include environmental assessments and preliminary engineering for priority BRT projects and include construction of the Simcoe-Promenade bus rapidway in Markham Centre, as approved in the 2022 Budget.

YRRTC’s 2024 capital budget also includes funding to ensure ongoing collaboration with York Region, Metrolinx and the local municipalities to advance the Yonge North Subway Extension (YNSE) project.

Capital funding for the Region’s contribution to the YNSE project is not included as part of the YRRTC budget as it is held as part of the Region’s corporate budget.

As shown on the next page in Figure 3, the 2024 proposed capital expenditures are \$8.9 million or 0.9% of the total Regional capital expenditures. The proposed Capital Spending Authority is \$78.0 million or 1.3% of the Region’s total Capital Spending Authority.

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



Appendix B summarizes proposed 2024 capital expenditures and Capital Spending Authority, including associated funding sources for York Region Rapid Transit Corporation. Details on the individual projects are available in the 2024 to 2026 Budget Book starting on page 285.

**\$1.8 billion in priority projects pending senior government funding commitments are not included in the proposed capital plan**

To complete the Region’s bus rapid transit network, \$1.8 billion in additional investment will be required over the next 10-years. Construction dollars for these projects are not included in the Region’s 10-year capital plan at this time, as they require funding commitments from senior levels of government and are subject to the Region’s Fiscal capacity considerations. The capital plan does include \$34.7 million for environmental assessment and preliminary engineering work to get priority bus rapid transit projects to a state of readiness, as York Region Rapid Transit Corporation continues to advocate for funding opportunities. Further detail can be found in the Capital Appendix on page 331 of the Budget Book.

**The proposed budget supports the Strategic Plan**

The budget for York Region Rapid Transit Corporation supports the delivery of the 2023 to 2027 *Strategic Plan* priorities under Vision’s Areas of Focus of Economic Vitality, Healthy Communities and Sustainable Environment.

More information on alignment between the Strategic Plan and the budget is provided in the [2024 to 2026 Budget Book](#).

## **5. Financial Considerations**

The proposed 2024 net operating budget for York Region Rapid Transit Corporation totals \$4.2 million, which represents 8.58% increase before assessment growth revenue, as summarized in Appendix A.

The proposed 2024 capital budget of \$8.9 million and Capital Spending Authority of \$78.0 million are summarized in Appendix B

## **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 operating and capital budgets 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 December 21, 2023.

---

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**

Commissioner of Finance and Regional Treasurer



**Brian Shifman**

President of York Region Rapid Transit Corporation



Approved for Submission:

**Erin Mahoney**

Chief Administrative Officer

November 7, 2023

15799274

Appendix A – Operating Budget

Appendix B – Capital Budget



## 2024-2026 Operating Budget for York Region Rapid Transit Corporation

(in \$000s)	Page No.	2023 Budget		2024 Proposed		Change Net %	2025 Outlook		2026 Outlook	
		Gross	Net	Gross	Net		Gross	Net	Gross	Net
York Region Rapid Transit Corporation	112	36,481	3,882	36,587	4,215	8.58%	36,005	3,830	36,591	3,928
<b>Total</b>		<b>36,481</b>	<b>3,882</b>	<b>36,587</b>	<b>4,215</b>	<b>8.58%</b>	<b>36,005</b>	<b>3,830</b>	<b>36,591</b>	<b>3,928</b>

<sup>1</sup> Numbers may not add due to rounding

<sup>2</sup> The percentage change in the proposed budget does not reflect any offset from assessment growth revenue

<sup>3</sup> Summary of the consolidated Operating Budget for York Region can be found on the table on pages 44 - 45 in the 2024-26 Budget Book

## 2024 Capital Expenditures and Capital Spending Authority (CSA) for York Region Rapid Transit Corporation

York Region Rapid Transit Corporation	Page No.	2024 \$000s	Total CSA \$000s
<b>Program Expenditures:</b>			
York Region Rapid Transit Corporation	113	8,864	77,958
<b>Funding Sources:</b>			
Development Charges	113	3,274	29,084
Program Specific & Gen. Capital Reserves	113	3,510	46,794
Grants & Subsidies	113	1,745	1,745
Other Recoveries	113	335	335
<b>Total Funding Sources</b>		<b>8,864</b>	<b>77,958</b>

<sup>1</sup> Summary of the consolidated Capital Budget for York Region can be found on the table on pages 56-57 in the 2024-26 Budget Book

<sup>2</sup> The proposed capital plan for York Region Rapid Transit Corporation does not include \$1.8 billion for priority projects that require senior government funding commitments