

Clause 6 in Report No. 18 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on December 15, 2016.

6

2017-2018 Budget – Transportation Services

1. Receipt of the presentation by Paul Jankowski, Commissioner, Transportation Services.
2. Adoption of the following recommendations contained in the report dated November 16, 2016 from the Commissioner of Finance recommending that:
  1. The Committee of the Whole recommends the budget as submitted for Transportation Services as follows:
    - a) The 2017 operating budget and the outlook for 2018, as summarized in Attachment 1
    - b) The 2017 capital expenditures and the 2017 Capital Spending Authority, as summarized in Attachment 2.
  2. The recommended budget be consolidated by the Treasurer for consideration by Council on December 15, 2016.

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Report dated November 16, 2016 from the Commissioner of Finance now follows:

## 1. Recommendations

It is recommended that:

1. The Committee of the Whole recommends the budget as submitted for Transportation Services as follows:
  - a) The 2017 operating budget and the outlook for 2018, as summarized in Attachment 1
  - b) The 2017 capital expenditures and the 2017 Capital Spending Authority, as summarized in Attachment 2.
2. The recommended budget be consolidated by the Treasurer for consideration by Council on December 16, 2016.

## 2. Purpose

This report provides a summary of the 2017-2018 Operating and Capital Budget for Transportation Services for consideration by Committee.

## 3. Background and Previous Council Direction

On December 17, 2015 Council approved an operating outlook for 2017 and 2018

As part of the 2016-2018 Budget, Council approved an outlook for the operating budget for 2017 and 2018. This approved outlook formed the starting point for this year's budget. Evolving circumstances and emerging pressures are a natural part of a multi-year budget process. Absent of extraordinary pressures, departments were expected to stay within their outlook. The 2017-2018 operating budget reflects any revisions that have been made to the previously approved outlook.

The 2017 Budget was tabled on November 17, 2016

The consolidated 2017-2018 Operating and Capital Budget was tabled with Council on November 17, 2016. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

The 2017 Budget Direction report, approved by Council on May 19, 2016, outlined the proposed timelines and indicated that the 2017-2018 budget would

be approved in December 2016, as long as Council is satisfied with it through the review process.

A two-year operating budget was tabled for Council's consideration

The operating budget presented is a two-year budget that spans the remaining years of Council's term. Council is asked to approve the budget for 2017 and the outlook for 2018. The approved outlook will then form the basis for the budget process next year. Council has the authority to change the budget each year in response to changing circumstances and new information.

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

Many complex 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 multi-year Capital Spending Authority for capital projects.

#### 4. Analysis and Implications

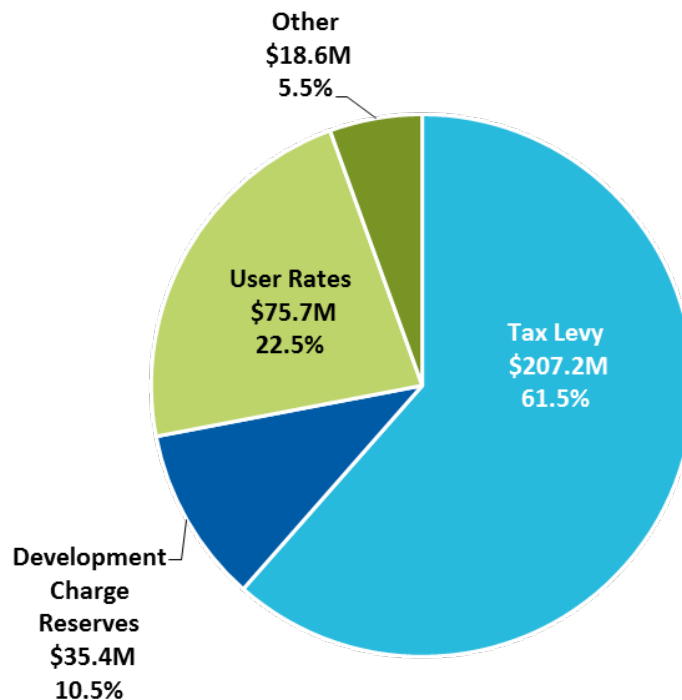
##### Operating Budget (page 74)

Transportation Services is largely funded through tax levy

The budget shows both the gross operating expenditures (total budget) and the net tax levy (the portion of the budget paid for by the tax levy).

Transportation Services' total gross budget for 2017 is \$337.0 million. As shown in Graph 1 below, the tax levy pays for 61.5% of the services provided by the department. The rest of the funding comes from transit fares, provincial gas tax and draws from the development charge reserve.

**Graph 1**  
**Gross expenditures of \$337.0 million are primarily funded by tax levy**



Note: Numbers may not add up due to rounding

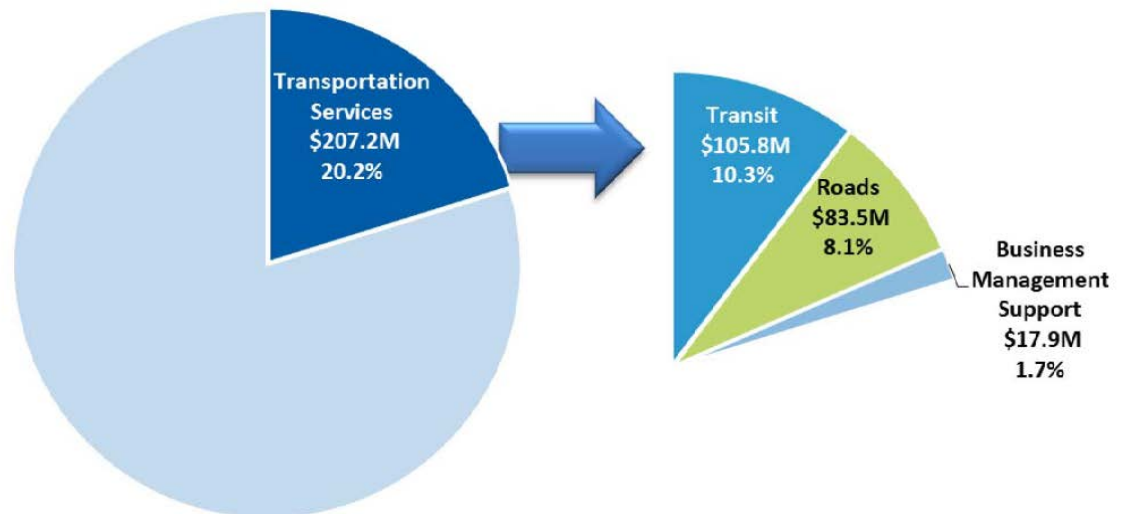
The proposed budget for Transportation Services reflects net operating expenditures of \$207.2 million in 2017

The 2017-2018 Operating Budget includes the cost of providing:

- Base services
- Legislated and contractual requirements
- Fiscal strategy requirements
- Impact of capital
- Growth
- Service enhancements

The proposed net budget for Transportation Services is \$207.2 million, or 20.2% of the total 2017 proposed Regional net operating budget as shown in Graph 2 below.

**Graph 2**  
**Transportation Services accounts for 20.2% of the tax dollar**



The proposed budget also includes an outlook for 2018.

Table 1 in Attachment 1 summarizes the proposed gross and net operating budgets for 2017 and the outlook for 2018.

Transportation Services is within the approved outlook for all years

Transportation Services' proposed 2017 budget and outlook for 2018 is within the outlook approved as part of the 2016 to 2018 Budget. However, Transportation Services does expect to face some budget pressures in 2017 and 2018. These pressures include providing additional transit service to mitigate the impact of rapidway construction. This, and other pressures, will be managed to keep spending within the Transportation Services budget for 2017.

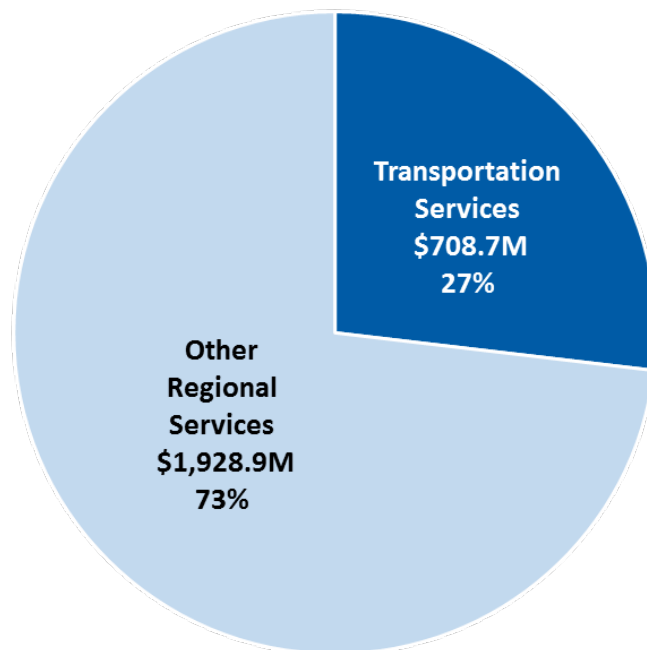
Capital Budget (page 79)

Approval of 2017 capital expenditures of \$249.9 million and Capital Spending Authority of \$708.7 million is requested for Transportation Services

The capital budget includes new infrastructure projects in support of growth, rehabilitation and replacement of existing infrastructure and service enhancement.

The proposed Capital Spending Authority for Transportation Services is \$708.7 million, or 27% of the total Regional 2017 Capital Spending Authority, as shown below in Graph 3.

**Graph 3**  
**Transportation Services accounts for 27% of 2017 Capital Spending Authority**



Attachment 2 summarizes the 2017 Capital Spending Authority by program and shows the associated financing sources for Transportation Services. Details on the individual projects included in the program groups are available in the 2017-2018 Budget book.

The budget is informed by Council-approved strategies and plans

The 2017-2018 budget for Transportation Services reflects the directions and strategies set out in Vision 2051 and the York Region Official Plan. The budget is also supportive of the objectives outlined in the 2015 to 2019 Strategic Plan. The recently approved Transportation Master Plan will provide input into the upcoming 2017 development charge bylaw update and more fully inform the 2018 capital budget.

## 5. Financial Considerations

The net operating budget for Transportation Services totals \$207.2 million in 2017 and includes an outlook for 2018, as summarized in Attachment 1. Council will have an opportunity to make adjustments to the outlook next year if required.

The proposed 2017 Capital Spending Authority reflects a multi-year commitment of \$708.7 million, as summarized in Attachment 2. Expenditures not identified as part of Capital Spending Authority but contained within the Ten-Year Capital Plan are provided for planning purposes and will be brought forward for formal approval in subsequent budget years.

## 6. Local Municipal Impact

The Region provides essential services to the residents and businesses in York Region. The challenge of meeting growing demands for service and improving service delivery is addressed through the Region's business planning process. The Region's investments support local municipalities.

## 7. Conclusion

This report sets out the proposed 2017-2018 budget for Transportation Services. To facilitate the completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council for consideration on December 15, 2016.

## 2017-2018 Budget – Transportation Services

For more information on this report, please contact Kelly Strueby, Director, Office of the Budget, at ext. 71611.

The Senior Management Group has reviewed this report.

November 16, 2016

Attachments (2)

7148750

Accessible formats or communication supports are available upon request.



## 2017 to 2018 Budget Summary for Transportation Services

Proposed Operating Budget Expenditures

(in \$000s)

Department	Page No.	2017 Outlook		2018 Outlook	
		Gross	Net	Gross	Net
Transit- YRT/Viva <sup>1</sup>	76	197,221	105,822	202,490	107,739
Roads & Traffic <sup>1</sup>	77	121,837	83,501	126,439	85,742
Business Management Support	78	17,977	17,917	18,786	18,716
<b>Total<sup>2</sup></b>	<b>75</b>	<b>337,035</b>	<b>207,241</b>	<b>347,715</b>	<b>212,196</b>

<sup>1</sup> Includes Contributions to Capital

<sup>2</sup> Numbers may not add due to rounding

Note: Net operating expenditures = tax levy

**2017 Capital Expenditures and Capital Spending Authority (CSA)  
Transportation Services**

<b>York Region Transit/</b>	<b>Page No.</b>	<b>2017 \$000s</b>	<b>2017 CSA \$000s</b>
<b>Program Expenditures:</b>			
Rehabilitation & Replacement	79/227	20,879	59,879
Growth	79/226	60,845	177,766
<b>Total</b>	<b>79/227</b>	<b>81,724</b>	<b>237,645</b>
<b>Financing Sources:</b>			
Current Tax Levy – Reserves	227	9,100	9,100
Debt Reduction Reserve	227	19,176	39,377
Reserves	227	40,652	158,901
Development Charge Reserve Draws	227	12,641	30,112
Grants and Subsidies	227	155	155
<b>Total Financing Sources</b>	<b>227</b>	<b>81,724</b>	<b>237,645</b>

<b>Roads</b>	<b>Page No.</b>	<b>2017 \$000s</b>	<b>2017 CSA \$000s</b>
<b>Program Expenditures:</b>			
Rehabilitation & Replacement	79/254	21,408	22,808
Growth	79/253	146,833	448,226
<b>Total 2017 Capital Spending Authority</b>	<b>79/254</b>	<b>168,241</b>	<b>471,034</b>
<b>Financing Sources:</b>			
Current Tax Levy – Reserves	254	21,334	58,591
Debt Reduction Reserve	254	10,985	29,235
Reserves	254	6,713	6,713
Debenture Proceeds DC	254	75,109	75,109
Development Charge Reserve Draws	254	25,632	237,391
Other Recoveries	254	28,468	63,995
<b>Total Financing Sources</b>	<b>254</b>	<b>168,241</b>	<b>471,034</b>

# **Transportation Services 2017 Multi-Year Business Plan and Budget**

## **Presentation to Committee of the Whole**

**Paul Jankowski**

December 1, 2016



# Overview

- 2016 Service Highlights
- 2017 Operating Budget (Within Outlook)
- 2017 10-year Capital Budget and Recommended Program (Within Outlook)
- Transportation Budget Recommendations



# 2015-2019 Strategic Plan Activities Transportation Services



**ECONOMIC  
VITALITY**



**HEALTHY  
COMMUNITIES**



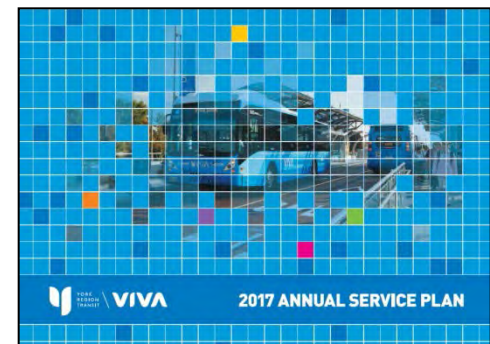
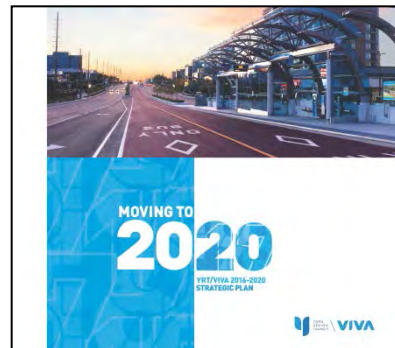
**SUSTAINABLE  
ENVIRONMENT**



**GOOD  
GOVERNMENT**

## Key Planned Regional Activities

- Implement Transportation Master Plan
- Implement Active Transportation network
- Implement Rapid Transit network
- Increase capacity of road network
- Implement Infrastructure Asset Management Framework
- Complete Bi-annual Corporate State of Infrastructure Reports



# Connecting strong, caring, safe communities



Town of  
East Gwillimbury



GEORGINA

**KING**

**MARKHAM**



*Richmond Hill*

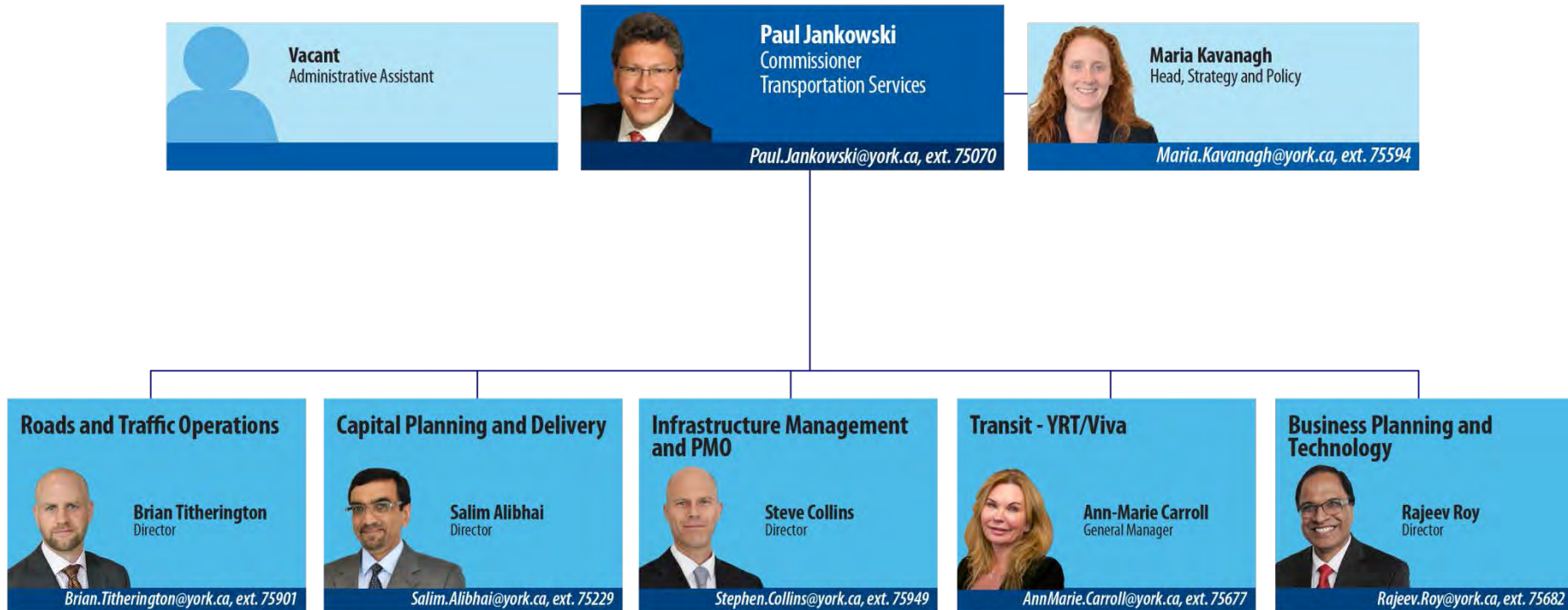
**VAUGHAN**

**TOWN OF  
WHITCHURCH-STOUFFVILLE**

Transportation Services plan, build and operate roads and transit services that respond to the needs of our growing communities.

  
**York Region**

# Transportation Services Department



This team delivers transportation services to the residents in all nine local municipalities

# People Who Deliver

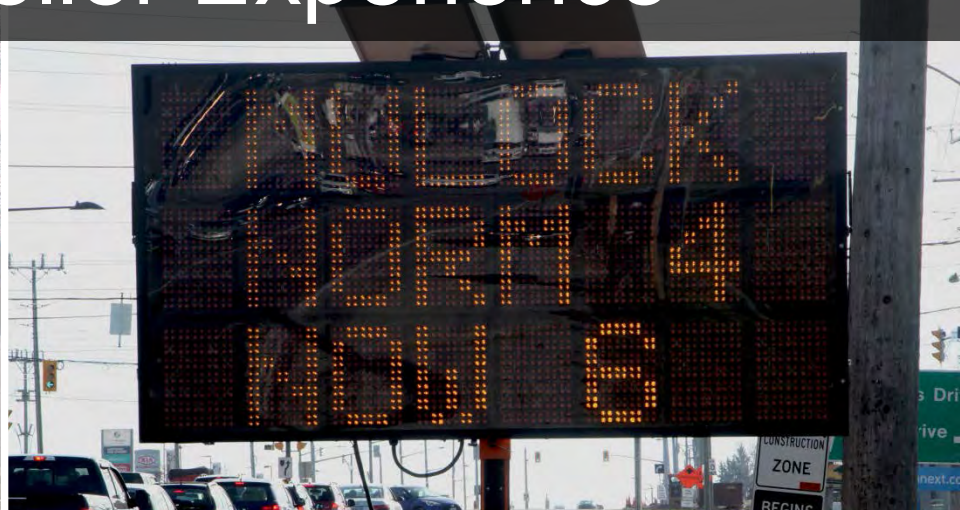




# 2016 Integrated Service Highlights



# Enhancing the Traveller Experience



# Increasing Business Effectiveness



> \$200K savings

# Increasing Business Effectiveness



**Fuel Pilot Complete**



**45 Person Days Saved**



**20% of Shelters Completed**

# Building System Improvements



# Building System Improvements



# Planning for Future Growth



The Transportation Master Plan is the Region's blueprint to sustainably accommodate growth and support continued quality of life for residents

The Regional Municipality of York  
**Transportation**  
Master Plan

November 2016

York Region

2016 Transportation Master Plan: Executive Summary



# 2017 Transportation Services Budget at a Glance

Proposed Net Operating	<b>2017</b>	<b>2018</b>
Budget Change	0.9%	2.4%

Net Operating Budget for 2017 **\$207M**

Capital Budget for 2017 **\$250M**

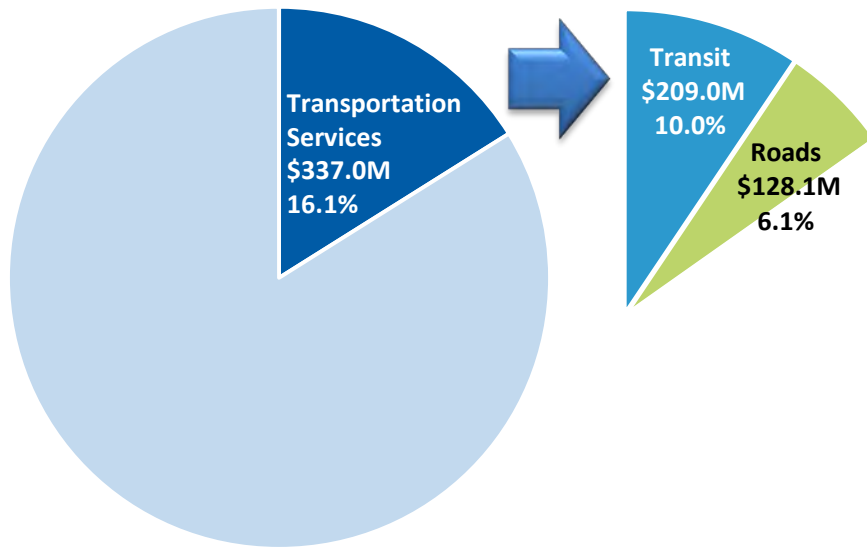
Capital Spending Authority **\$709M**

10-Year Capital Plan **\$2.3B**



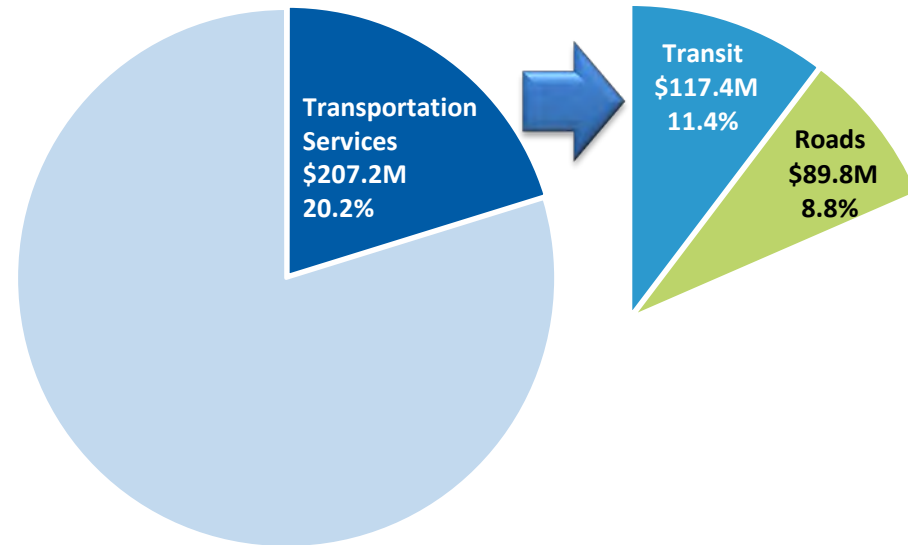
# 2017 Operating Budget

## Gross



Region Gross = \$2.09B

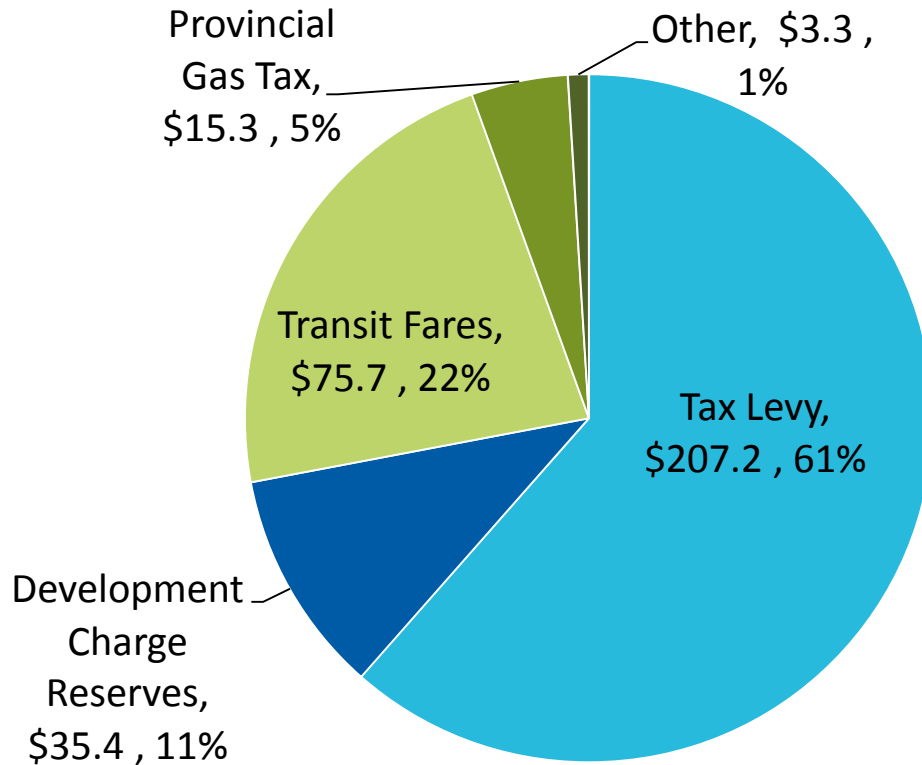
## Net



Region Net = \$1.03B

Council continues to provide for the transportation needs of our communities

# How the 2017 Operating Budget is Funded



# 2017 Operating Initiatives



# We will serve York Region communities in 2017 by:

- Providing 1.2 M transit service hours
- Providing approx. 3300 runs weekly
- Carrying 23.4 M transit riders
- Serving 12,100 Mobility Plus clients
- Serving 2.2 M daily vehicle trips
  
- Operating over 500 Transit vehicles
- Maintaining 4,185 lane km
- Operating 137 traffic cameras
- Operating 860 traffic signals
- Operating 40 red light cameras



Transportation Services manages assets worth \$4.2 Billion

# Operating Budget Summary

	2016 Approved	2017 Proposed	2018 Outlook
Gross Expenditures (\$M)	319.7	337.0	347.7
Non-Tax Revenues (\$M)	(114.3)	(129.8)	(135.5)
Net Expenditures (\$M)	205.4	207.2	212.2
Increase/(Decrease) (year over year)	-	0.9%	2.4%
2016 Approved Outlook		0.9%	2.4%
Total Proposed FTEs	458.7	477.7	495.7
Proposed New FTEs	23.0	19.0	18.0
2016 Approved Outlook New FTEs	-	19.0	18.0

Emerging Cost Issue - Rapidways

# 2017 Capital Budget at a Glance

Capital Budget for 2017

\$250M

Capital Spending Authority

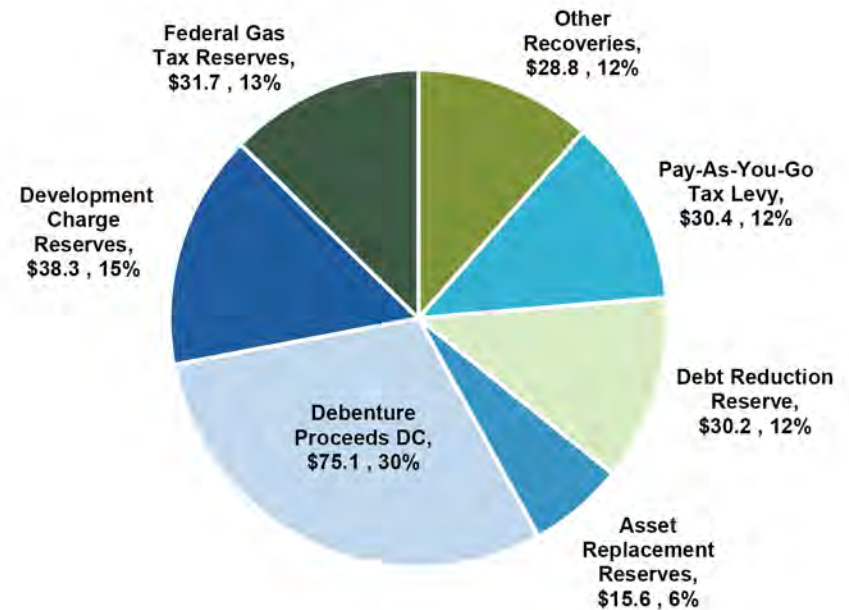
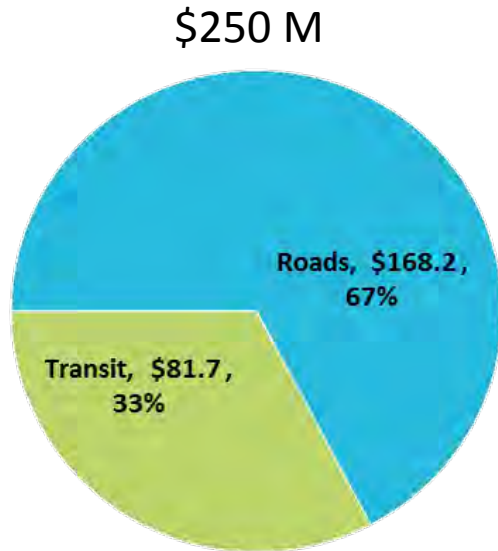
\$709M

10-Year Capital Plan

\$2.3B



# Year 2017 Capital Budget Overview

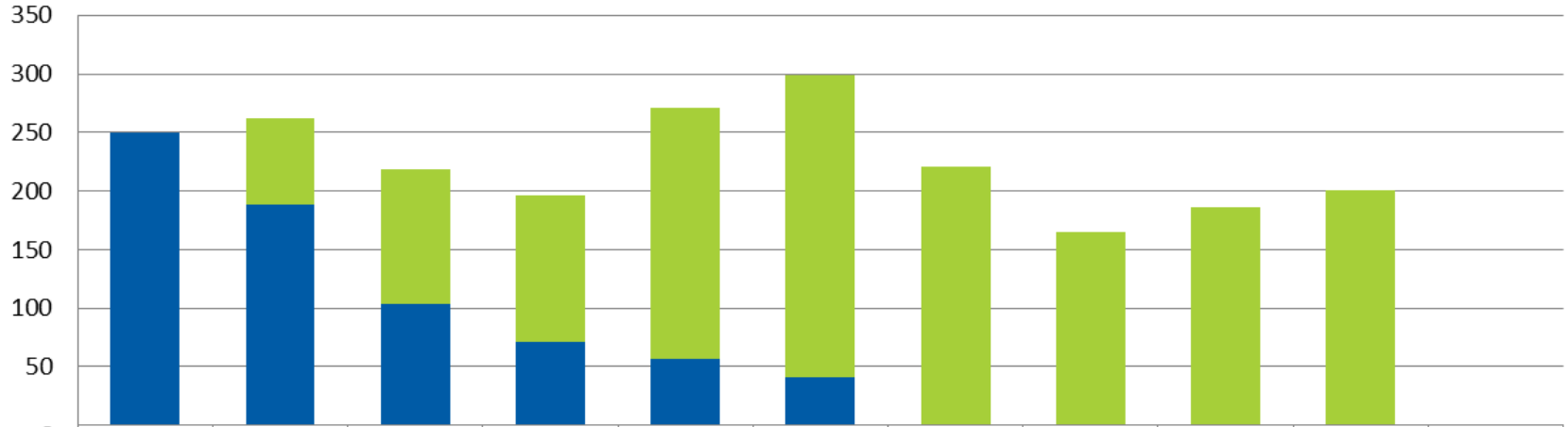


## Largest new investments in 2017:

- Conventional Bus Expansion\Replacement
- North Transit Garage
- Major Mackenzie Drive - CPR to Hwy 400
- Keele Street - Steeles Avenue to Highway 7
- Southeast Works Yard

# 10-Year Capital Plan and Capital Spending Authority (CSA)

\$ Million

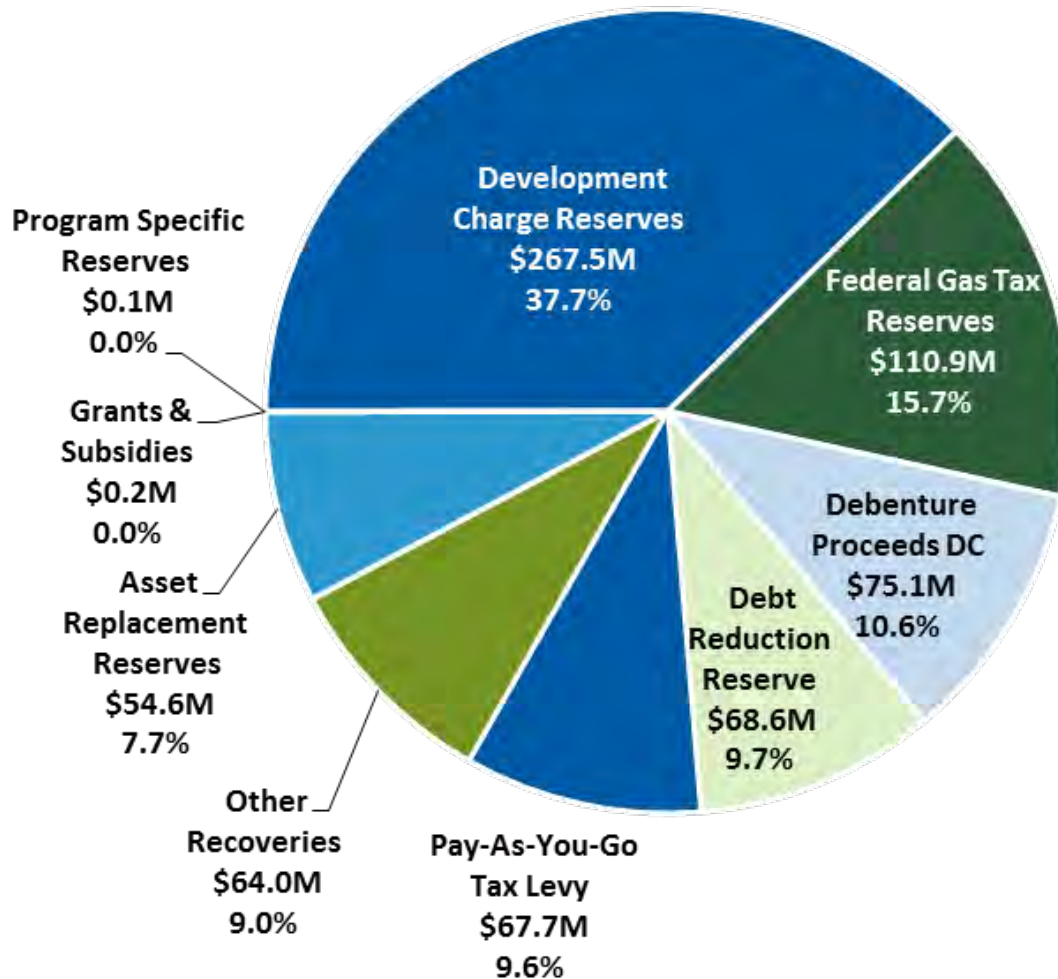


	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Non-CSA	-	74	115	126	214	258	221	165	186	201	1,561
CSA	250	188	103	71	56	41	-	-	-	-	709
All CSA Years	250	262	218	197	271	299	221	165	186	201	2,270



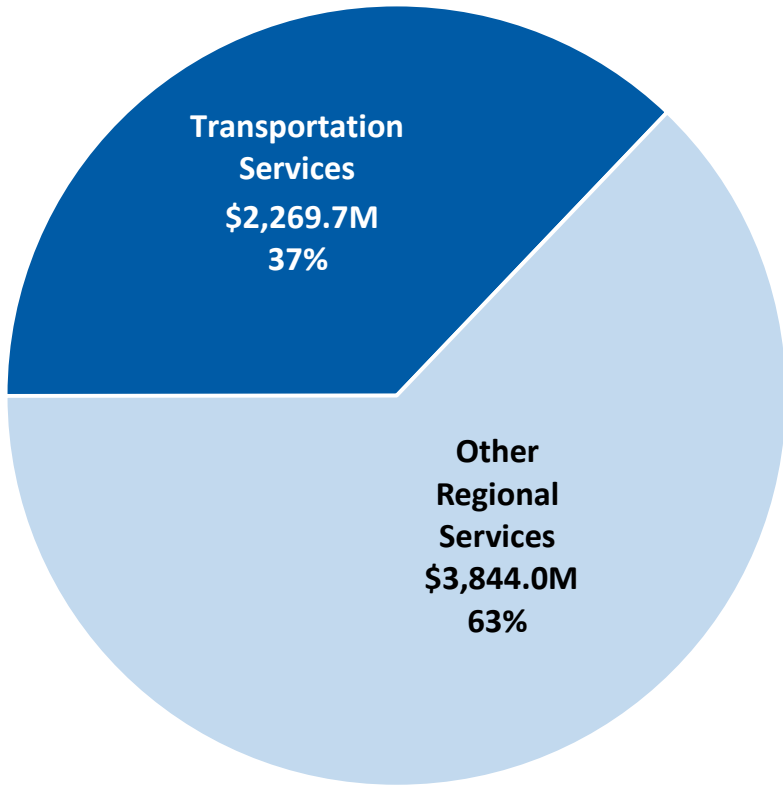
# 2017 CSA Funding Sources

Total: \$708.7M



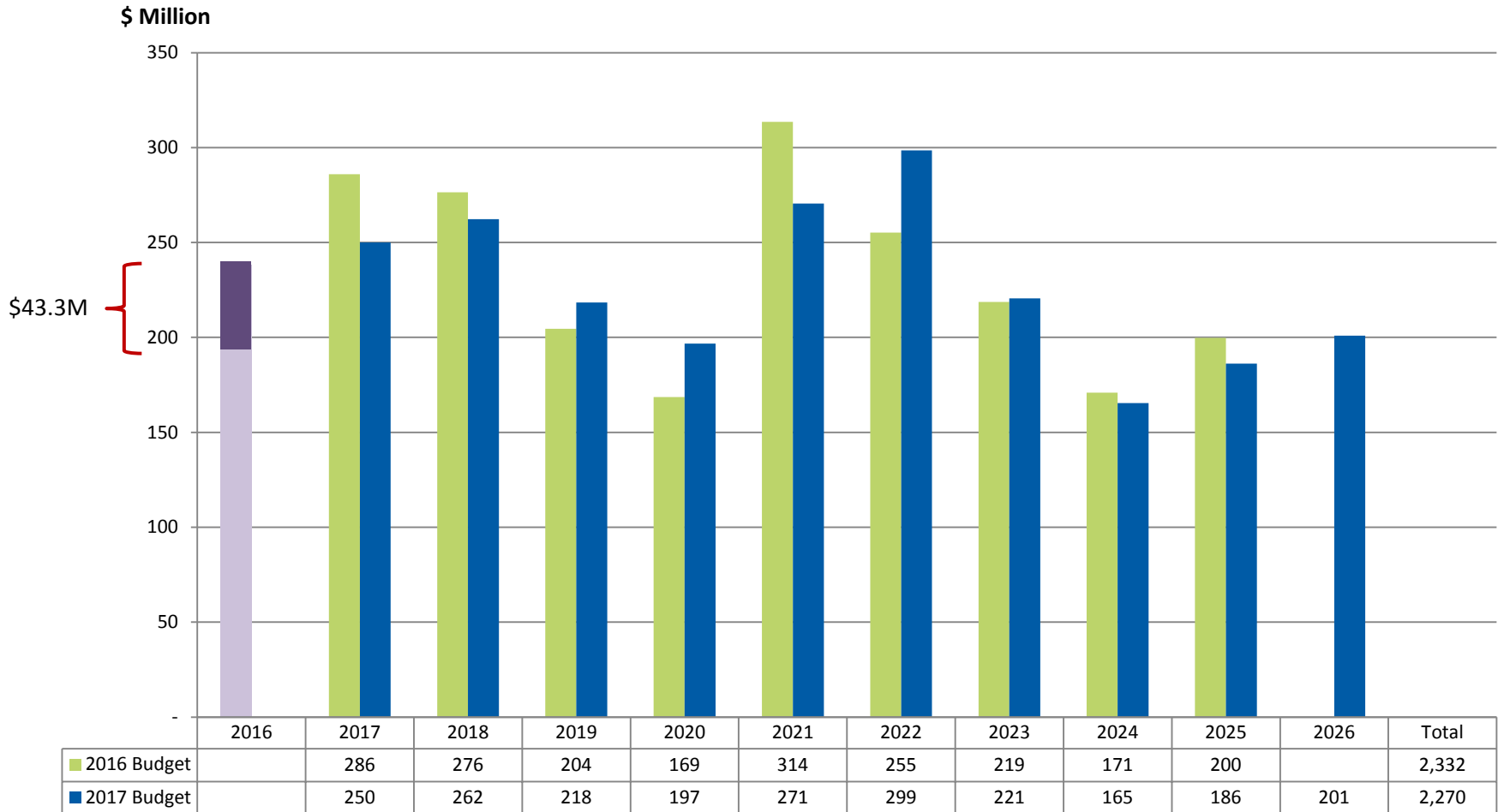
# York Region: 10-Year Capital Plan

**York Region 2017 10-Year  
Capital Plan: \$6,113.6M**



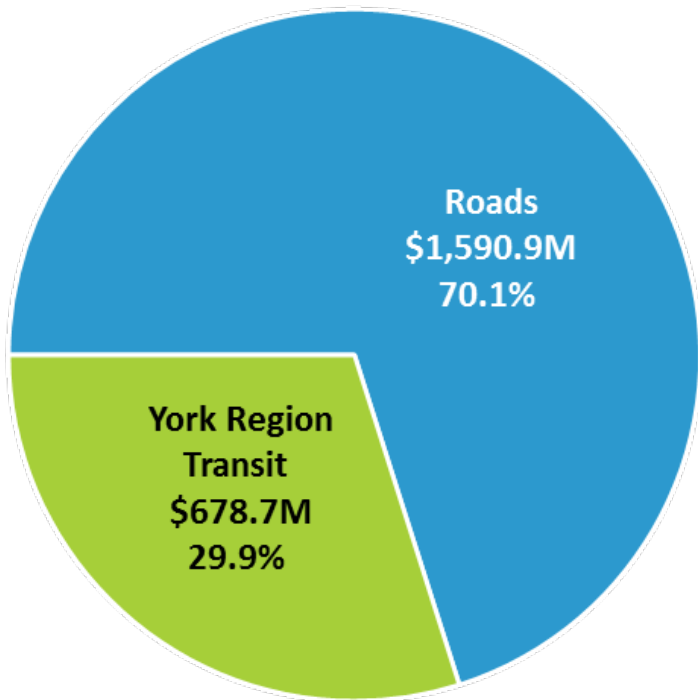
Capital Budget	\$ Millions
2017 Capital	249.9
2017 Capital Spending Authority	708.7
10-Year Capital Plan	2,269.7

# 10-Year Plan Comparison 2016 vs. 2017

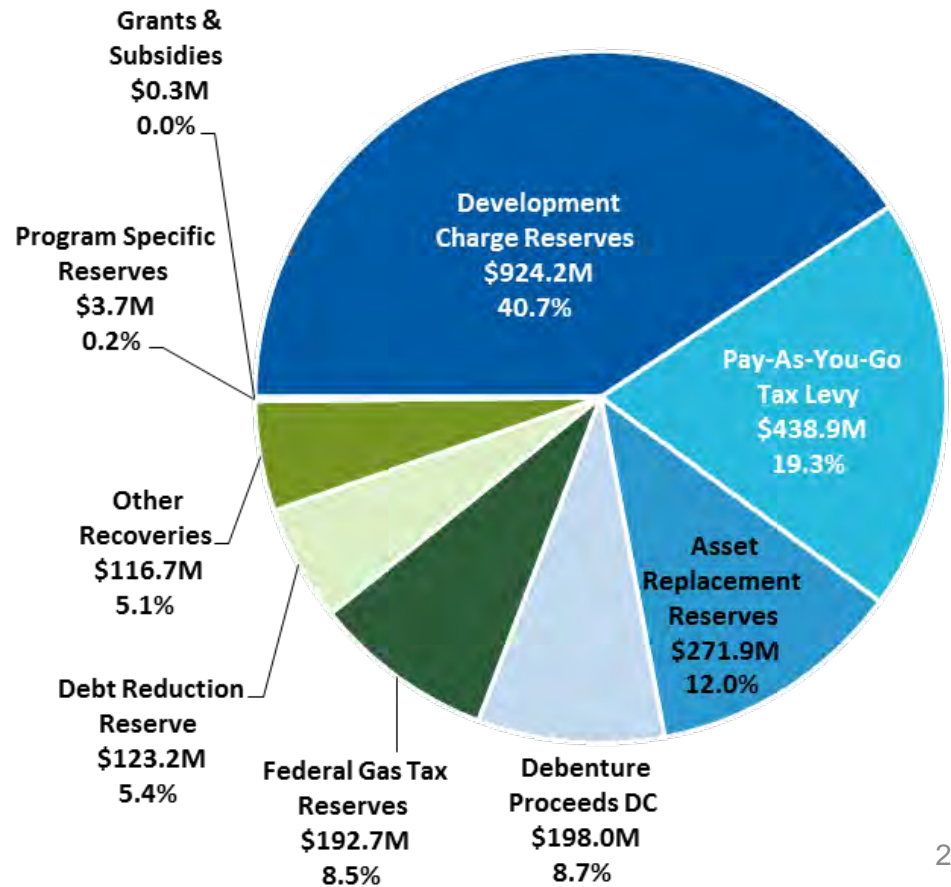


# 10-Year Capital Plan Overview

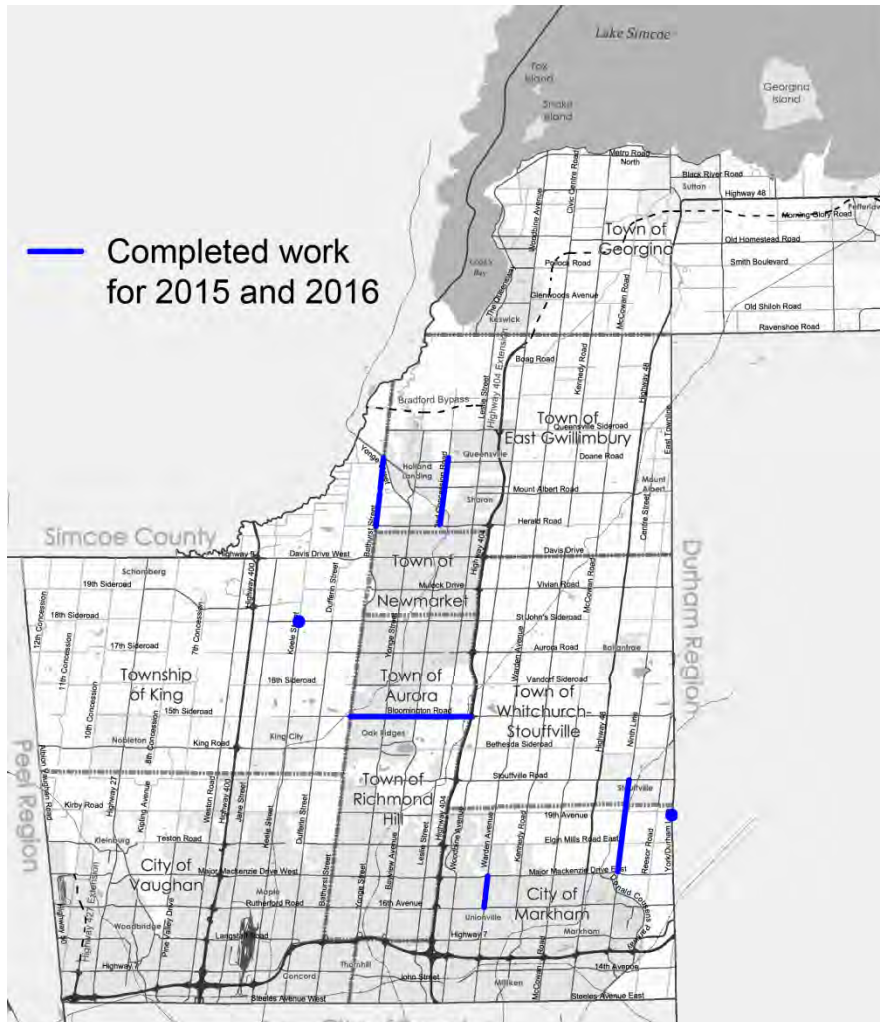
Gross Expenditures  
\$2,270 Million



Funding Sources  
\$2,270 Million



# 2015-2016 Transportation Investment



Road construction \$290M



Road reconstruction \$63M



Bus expansion \$20.4M



Bus replacement \$6.4M



Bus refurbish \$15.9M

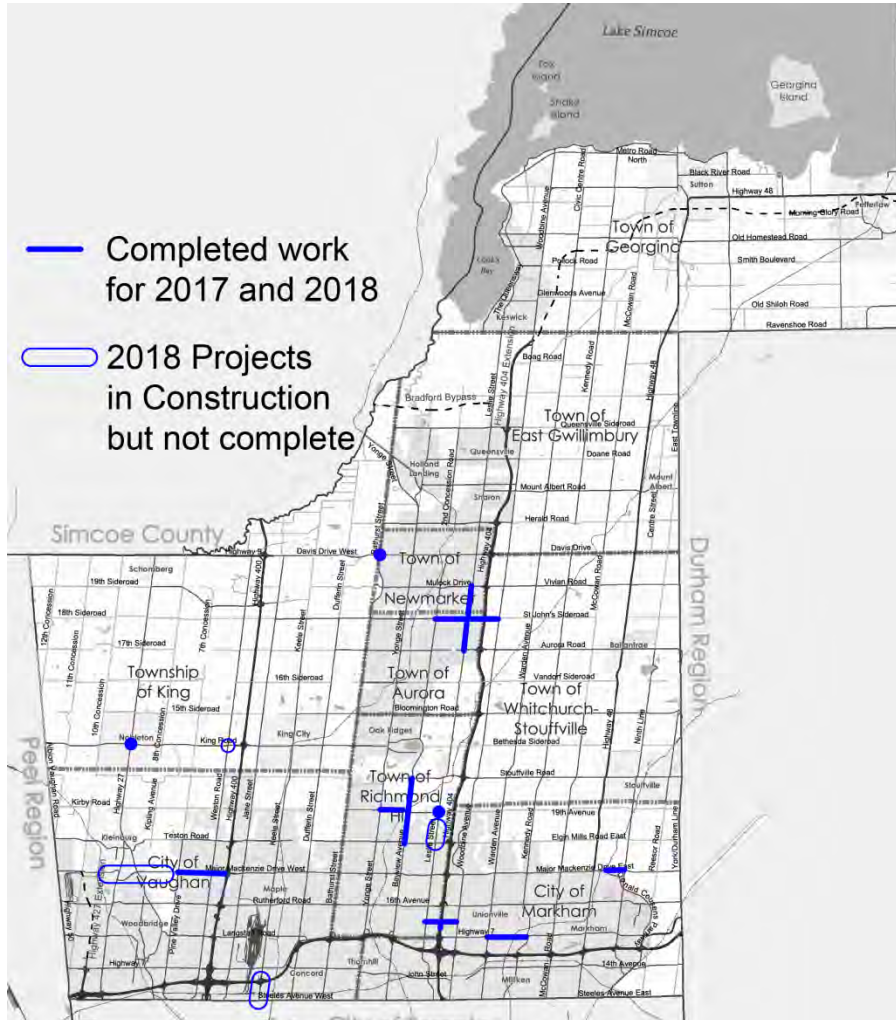


Facilities \$10.7M



Technology \$9.3M

# 2017-2018 Recommended Investment



Road construction \$298M



Road reconstruction \$43M



Bus expansion \$27.6M



Bus replacement \$48.0M



Bus refurbish \$14.1M

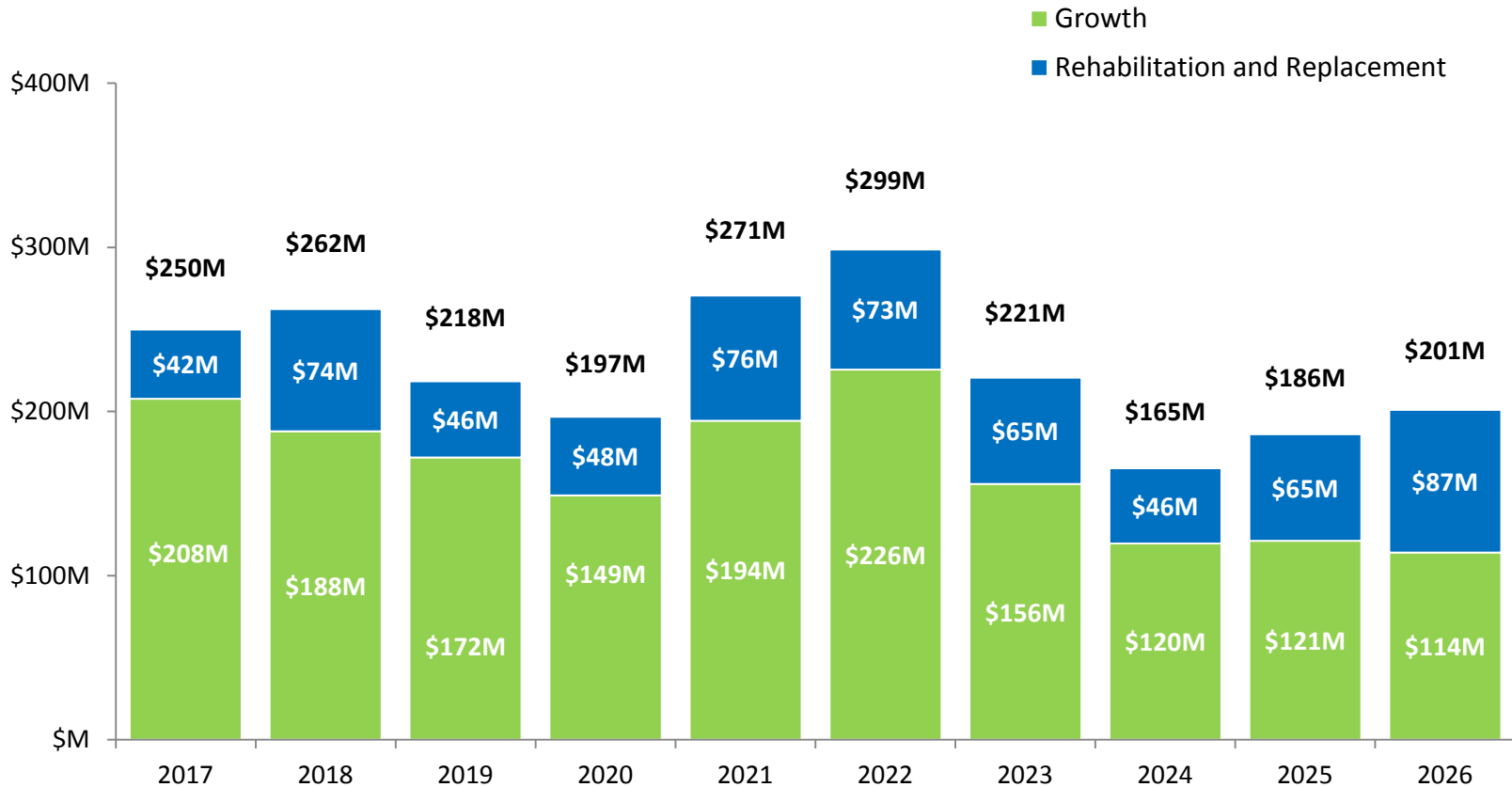


Facilities \$53.6M



Technology \$16.5M

# 10-Year Capital Plan Budget - \$2.27B



2015-2018 highest transportation investment in any Council term - \$934M

# 2017 Project Adjustments





# Updated 10-Year Capital Plan



Proposed 2017

# Transportation Budget Summary

- Operating and Capital Budgets conform with Council's previously approved outlooks
- Continue to deliver the largest transportation capital investment in the Region's history
- Capital program adjusted to reflect better coordination of project delivery and refined project costs
- Continue to focus on integrated congestion management and transit service solutions

# Budget Recommendations

1. The Committee of the Whole recommends the budget as submitted for Transportation Services as follows:
  - a) The 2017 operating budget and the outlook for 2018, as summarized in Attachment 1
  - b) Capital Spending Authority, as summarized in Attachment 2
2. That the recommended budget be consolidated by the Treasurer for consideration by Council on December 15, 2016