

Clause No. 3 in Report No. 7 of the Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on December 19, 2013.

### **3**

## **2014 BUSINESS PLAN AND BUDGET - TRANSPORTATION AND COMMUNITY PLANNING**

**Committee of the Whole recommends:**

- 1. Receipt of the presentation by Richard J. Leary, Acting Commissioner, Transportation and Community Planning**
- 2. The draft 2014 Operating and Capital Business Plan and Budget, as submitted in the report dated November 20, 2013 from the Commissioner of Finance, be consolidated by the Treasurer for approval by Council on December 19, 2013 for Transportation and Community Planning as summarized in Attachment 1.**

### **1. RECOMMENDATION**

It is recommended that:

- 1. The Committee of the Whole recommend the draft 2014 Operating and Capital Business Plan and Budget as submitted be consolidated by the Treasurer for approval by Council on December 19, 2013 for Transportation and Community Planning as summarized in *Attachment 1*.**

### **2. PURPOSE**

This report provides a summary of the 2014 Operating and Capital Business Plan and Budget for Transportation and Community Planning including York Region Transit/Viva, Roads, Traffic Management and Intelligent Transportation Systems and Transportation Program Support for consideration and recommendation to Council on December 19, 2013.

### **3. BACKGROUND**

#### **The 2014 Business Plan and Budget was tabled on November 21, 2013**

The consolidated 2014 Operating and Capital Business Plan and Budget was tabled with Council on November 21, 2013. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

The *2014 Budget Directions* report, approved by Council on June 27, 2013, indicated that the 2014 budget would be approved in January 2014. However, under the new committee structure, it is possible that Council may be in a position to approve the budget in December 2013. If substantive changes are recommended by Committee of the Whole, additional time may be required to consolidate these changes and Council approval of the budget would occur on January 23, 2014, as originally planned.

#### **Capital program groups and multi-year commitments for capital projects are proposed as part of the budget process**

Capital Spending Authority (CSA) is used for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve multi-year CSA for capital projects.

#### **Council approved a 2014 budget outlook in January 2013**

In the 2013 budget process, York Region introduced multi-year budgeting. As part of this multi-year process, Council approved an outlook for 2014. The approved outlook is the starting point for the 2014 budget process. The 2014 Budget includes a comparison of the 2014 proposed budget and the 2014 approved outlook.

### **4. ANALYSIS AND OPTIONS**

#### **OPERATING BUSINESS PLAN AND BUDGET**

#### **The proposed budget for Transportation and Community Planning reflects total net operating expenditures of \$187.1 million in 2014**

The 2014 Operating Business Plan and Budget includes the cost of providing base service, mandatory or legislated requirements, annualization, growth, and service enhancements.

The proposed budget for Transportation and Community Planning represents \$187.1 million, or 21% of the total 2014 proposed Regional net operating expenditures.

Table 1 in *Attachment 1* summarizes the gross and net operating budgets for Transportation and Community Planning.

**The proposed budget reflects a decrease in net operating expenditures of \$7.8 million compared to the approved outlook**

The 2014 proposed budget includes a tax levy increase of 1.54% which is less than the approved outlook of 1.75%. Changes within the budgets for Regional programs were necessary to accommodate the \$5.9 million revenue/expenditure savings target included in the 2014 outlook and to achieve a lower proposed net tax levy increase.

Table 2 in *Attachment 1* summarizes the change to the approved outlook for Transportation and Community Planning.

**CAPITAL BUSINESS PLAN AND BUDGET**

**Approval of Capital Spending Authority of \$380.2 million in 2014 is requested for Transportation and Community Planning**

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

The proposed budget for Transportation and Community Planning represents \$380.2 million, or 14% of the total 2014 proposed CSA.

For the first time, the 2013 Budget grouped capital projects into program groups. Each program group contained capital projects with similar business needs.

The 2014 Budget builds on the success of program groups by seeking Council's approval of additional flexibility for reallocating funding within a program group. Specifically, the 2014 Budget seeks Council approval of:

1. The program groups specified in the 2014 Capital Budget book; and
2. The authority to reallocate funding between projects in a program group as long as:  
there is no increase in the total cost of the program group's 10-Year Capital Plan; there is no increase in the total CSA for the program group; and, the reallocation of funding is between projects with similar funding sources.

This additional flexibility will enable departments to better manage variations in project timing.

Table 3 in *Attachment 1* summarizes the 2014 CSA by program and shows the associated financing sources for Transportation and Community Planning. Details on the individual projects included in the program groups are available in the 2014 Capital Business Plan and Budget book.

### **Link to key Council-approved plans**

The 2014 Operating and Capital Business Plan and Budget reflects the directions and strategies set out in *Vision 2051, York Region Official Plan*, the *Transportation Master Plan*, the *Water and Wastewater Master Plan* and the *Community and Health Services Multi-Year Plan*. The budget was also influenced by strategic priorities outlined in the *2011 to 2015 Strategic Plan* and is supportive of its objectives.

## **5. FINANCIAL IMPLICATIONS**

The net operating budget for Transportation and Community Planning totals \$187.1 million, approximately 21% of the Region's total 2014 proposed net operating budget.

The proposed 2014 CSA for Transportation and Community Planning reflects a multi-year commitment of \$380.2 million. Expenditures not identified as part of CSA but contained within the 10-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 help local municipalities realize their growth, planning and public service objectives.

## **7. CONCLUSION**

This report sets out the proposed 2014 Operating and Capital Business Plan and Budget for Transportation and Community Planning. To facilitate the completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council on December 19, 2013.

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.

(Attachment 1)

**2014 BUSINESS PLAN AND BUDGET  
SUMMARY FOR TRANSPORTATION AND COMMUNITY PLANNING**

**Table 1**  
2014 Proposed Operating Budget

<b>Department</b>	<b>Page No.</b>	<b>2014 Gross Operating Expenditures* \$000s</b>	<b>2014 Net Operating Expenditures* \$000s</b>
York Region Transit/Viva	43	186,771	101,801
Roads	68	89,073	68,537
Traffic Management & Intelligent Transportation Systems	93	18,221	16,794
Transportation Program Support <sup>1</sup>	106	1,210	0
<b>Total</b>	<b>30</b>	<b>295,275</b>	<b>187,132</b>

\* Includes Contribution to Capital.

<sup>1</sup> Transportation Program Support includes the Commissioner's Office, Strategic Policy and Business Planning, Community Planning and Transportation Planning.

**Table 2**  
2014 Budget Changes to the Approved Outlook - Operating Budget

<b>Department</b>	<b>Page No.</b>	<b>2014 Approved Outlook Net Operating Expenditures* \$000s</b>	<b>2014 Proposed Net Operating Expenditures* \$000s</b>
York Region Transit/Viva	43	108,768	101,801
Roads	68	68,368	68,537
Traffic Management & Intelligent Transportation Systems	93	17,833	16,794
Transportation Program Support <sup>1</sup>	106	0	0
<b>Total</b>	<b>30</b>	<b>194,969</b>	<b>187,132</b>

\* Includes Contribution to Capital.

<sup>1</sup> Transportation Program Support includes the Commissioner's Office, Strategic Policy and Business Planning, Community Planning and Transportation Planning.

**Table 3**  
Capital Spending Authority  
Transportation Property and Facilities

	<b>Page No.</b>	<b>2014 Approved Outlook \$000s</b>	<b>2014 CSA Change \$000s</b>	<b>2014 Proposed CSA \$000s</b>
<b>Program Expenditures:</b>				
Transportation Property and Facilities	48	0	66,800	66,800
<b>Total CSA</b>	48	<b>0</b>	<b>66,800</b>	<b>66,800</b>
<b>Financing Sources:</b>				
Current Tax Levy Reserves	48	0	500	500
Development Charges	48	0	3,850	3,850
Federal Funding	48	0	12,900	12,900
Debenture Proceeds	48	0	49,550	49,550
<b>Total Financing Sources</b>	48	<b>0</b>	<b>66,800</b>	<b>66,800</b>

**Note:** Prior to 2014, Transportation Property and Facilities projects were included in the York Region Transit and Roads capital budgets.

**Table 4**  
Capital Spending Authority  
York Region Transit/Viva

	<b>Page No.</b>	<b>2014 Approved Outlook \$000s</b>	<b>2014 CSA Change \$000s</b>	<b>2014 Proposed CSA \$000s</b>
<b>Program Expenditures:</b>				
Garages	63	18,000	(18,000)	0
Rehabilitation and Replacement	61	9,345	5,675	15,020
Growth	60	17,590	5,611	23,201
<b>Total CSA</b>	63	<b>44,935</b>	<b>(6,714)</b>	<b>38,221</b>
<b>Financing Sources:</b>				
Current Tax Levy Reserves	63	8,598	(1,320)	7,278
Development Charges	63	3,665	(2,215)	1,450
Reserves	63	707	6,945	7,652
Federal Funding	63	21,175	576	21,751
Provincial Funding	63	40	50	90
Debenture Proceeds	63	10,750	(10,750)	0
<b>Total Financing Sources</b>	63	<b>44,935</b>	<b>(6,714)</b>	<b>38,221</b>

**Table 5**  
Capital Spending Authority  
Roads

	Page No.	2014 Approved Outlook \$000s	2014 CSA Change \$000s	2014 Proposed CSA \$000s
<b>Program Expenditures:</b>				
Facilities/Operations	89	3,600	(3,600)	0
Rehabilitation and Replacement	87	25,072	4,756	29,828
Growth	85	217,199	8,489	225,688
<b>Total CSA</b>	89	<b>245,871</b>	<b>9,645</b>	<b>255,516</b>
<b>Financing Sources:</b>				
Current Tax Levy	89	37,482	5,513	42,995
Development Charges	89	414	1,714	2,128
Reserves	89	7,192	4,346	11,538
Provincial Funding	89	0	10,944	10,944
Other Recoveries	89	6,090	5,702	11,792
Debenture Proceeds	89	194,693	(18,574)	176,119
<b>Total Financing Sources</b>	89	<b>245,871</b>	<b>9,645</b>	<b>255,516</b>

**Table 6**  
Capital Spending Authority  
Traffic Management & Intelligent Transportation Systems

	Page No.	2014 Approved Outlook \$000s	2014 CSA Change \$000s	2014 Proposed CSA \$000s
<b>Program Expenditures:</b>				
Traffic Management & ITS	122	16,350	3,289	19,639
<b>Total CSA</b>	122	<b>16,350</b>	<b>3,289</b>	<b>19,639</b>
<b>Financing Sources:</b>				
Current Tax Levy Reserves	123	3,299	867	4,166
Development Charges	123	6,112	6,427	12,539
Reserves	123	550	(350)	200
Federal Funding	123	6,389	(3,655)	2,734
<b>Total Financing Sources</b>	123	<b>16,350</b>	<b>3,289</b>	<b>19,639</b>

**Table 7**  
 Capital Spending Authority  
 Transportation and Community Planning

	2014 Approved Outlook \$000s	2014 CSA Change \$000s	2014 Proposed CSA \$000s
<b>CSA – Gross Capital Expenditures</b>	<b>307,156</b>	<b>73,020</b>	<b>380,176</b>
<b>Financing Sources:</b>			
Current Tax Levy Reserves	49,379	5,560	54,939
Development Charges	10,191	9,776	19,967
Reserves	8,449	10,941	19,390
Federal Funding	27,564	9,821	37,385
Provincial Funding	40	10,994	11,034
Other Recoveries	6,090	5,702	11,792
Debenture Proceeds	205,443	20,226	225,669
<b>Total Financing Sources</b>	<b>307,156</b>	<b>73,020</b>	<b>380,176</b>