

GO Transit

2008 Budget Document

Section I. Existing Services and Service Levels:

GO Transit is responsible for developing an effective inter-regional transit network for Greater Toronto Area (GTA)/Hamilton and surrounding communities.

Since the inception of the original ten-year plan, the 2001-2010 Capital Growth Plan has been updated annually to a moving ten-year plan. The plan is to be funded equally on a one third basis by the federal, provincial and municipal levels of government. The municipal portion is funded by the GTA Regions and the Cities of Toronto and Hamilton based on a cost sharing formula established in 2001. The GO Transit 2008-2017 Capital Growth Plan has not yet been developed.

Section II. Resources to Deliver 2007 Services:

Current \$'000	2006 Actual	2007 Budget	2007 Projection	2007 Variance Under/(Over)
Total Expenditures	\$15,987	\$6,181	\$6,181	\$0
Total Revenue	\$0	\$0	\$0	\$0
Net Cost	\$15,987	\$6,181*	\$6,181*	\$0
FTE	NA	NA	NA	NA

* NOTE: Net cost funded from development charges without tax contributions.

2007 Budget:

The Region of Peel portion for the 2007 Growth Plan is \$15.5 million. The 2007 budget was set at \$6.2 million based on the Region contributing only the amount that was estimated to be raised from development charges. No tax levy was incorporated in the 2007 budget to fund the remaining non-growth component of \$9.3 million.

2007 Projection:

At this time it is unclear whether the 2007 GO Transit Growth Capital Plan approved budget will be fully spent. Currently GO Transit has reduced expenditures to a level that can be sustained from development charges. This may change towards the end of the municipal fiscal year. Over the past years GO Transit spending and invoicing has been irregular throughout the year. However, annual spending has tracked the budget approved by the GO Transit Board and the Province. The GO Transit budget is based on the provincial fiscal year (April 1 to March 31).

The \$9.3 million non-growth portion currently remains unfunded and will require resolution. The unpaid amount of the non-growth will need to be recognized as a liability at year-end.

Section III. Performance Measurement/Benchmarking:

Not applicable to this program.

Section IV. 2008 Base Pressures:

Not applicable to this program.

Section V. Cost Mitigation Through Efficiencies and Recoveries:

Not applicable to this program.

Section VI. Challenges and Emerging Trends:

The extension to the current *GO Transit by-law* for one more year maintains the current GO Transit development charges rate, increased only to account for inflation. This has already restricted the amount that the Region can raise through its development charges because the GO Transit Growth Capital Plan has increased significantly since the inception of the by-law in 2001. Therefore the Region's ability to raise the adequate development charges funds beyond 2007 is further compromised.

Although the Province has extended the current *GO Transit development charges by-laws* of the GTA municipalities, Council has declared its opposition to continue funding GO Transit if the outstanding funding issues were not addressed by the Province. To date, the issues raised by the Region of Peel and GTA municipalities concerning GO Transit funding have not been addressed. However, the Province may examine the requested changes as part of the provincial-municipal review of funding and service delivery responsibilities which are expected to report its findings in April 2008. Among other things, the review is to examine municipal financing tools and infrastructure funding. In the meantime, the Province expects municipalities to pay the full one-third share contribution to the GO Transit Growth Capital Plan.

Bill 151 – Budget Measures Act, 2006 introduced amendments to the *Development Charges Act, 1997* to change the method of calculating development charges specifically for the funding of the Toronto/York subway extension. The provincial government has decided to provide only this particular program with access to a more effective calculation method. General municipal development charges and the GO Transit development charges are ineligible to benefit from the amended formula. As a result, the affordability of the municipal share of the GO Transit capital plan has not been enhanced.

The provincial government announced in June 2007, "MoveOntario", a 12-year, \$17.5 billion program to enhance transit services throughout the GTA and beyond. This expenditure plan is in addition to the Ten-Year GO Transit Growth Capital Plan and consequently does not provide any financial relief to Peel and the other GO Transit funding municipalities.

The provincial dedicated gas tax agreement requires those municipalities that fund the GO Transit capital expansion program, including the Region of Peel, to pay its full share. By not paying the full amount of the GO Transit costs, the Region will be "in arrears" and the Province will be in the position to withhold gas tax contributions and demand immediate repayment of outstanding funds.

Section VII. 2008 Program Pressures – Current:

Not applicable to this program.

Section VIII. 2008 Program Pressures – Capital:

A budget of \$5.0 million is built into Peel’s 2008 capital plan and the 2009-2017 capital plan totals \$26.0 million. This level of funding reflects Council’s resolution that limits Peel’s contribution to only the development charges raised. The 2008 budgeted amount of \$5.0 million would be funded through development charges.

Peel would face an otherwise additional \$39.0 million to be funded over the ten year period (\$7.5 million alone for 2008) if it continues to plan to fund only the development charges portion and the Province enforces full payment.

Carry –Forward from 2007 \$’000	2008 New Capital \$’000	2008 # of New Projects	Total Capital Available \$’000	2009 – 2017 Forecast \$’000	2009 - 2017 # of New Projects
\$0	\$5,000	1	\$5,000	\$21,000	1

Section IX. 2008 Summary:

Budget Summary \$’000s	2007 Budget	2007 Projection	2008 Proposed	2009 Forecast	2010 Forecast
Current Budget – Total Expenditures	NA	NA	NA	NA	NA
Current Budget – Total Revenue	NA	NA	NA	NA	NA
Current Budget – Net Cost	NA	NA	NA	NA	NA
FTE	NA	NA	NA	NA	NA
Capital Carry Forward from prior year			\$0	\$0	\$0
New Capital			\$5,000	\$4,200	\$3,700
Total Capital Available			\$5,000	\$4,200	\$3,700
Forecasted Capital Spending			\$5,000	\$4,200	\$3,700

Future Outlook:

2009 and 2010 Current Budget:

The cost-sharing formula among the GTA municipalities and Hamilton may be subject to change as the current 16.5 per cent share is currently scheduled to expire at the end of 2008. In addition, there possibly may be some implications arising from the Provincial-Municipal Fiscal and Service Delivery Review that will affect infrastructure funding (i.e. development charges), including GO Transit, in time for the 2009 and 2010 period.

2009-2017 Capital Plan:

Staff estimates that there will be \$21.0 million of GO liability from 2009 to 2017 which will be funded from available Development Charges (DC) reserve only.

Service Level Contract for 2008:

Resources:

Not applicable to this program.

Outputs/Outcomes:

Not applicable to this program.

Section X. Pressures not included in 2008 Budget:

Not applicable to this program.

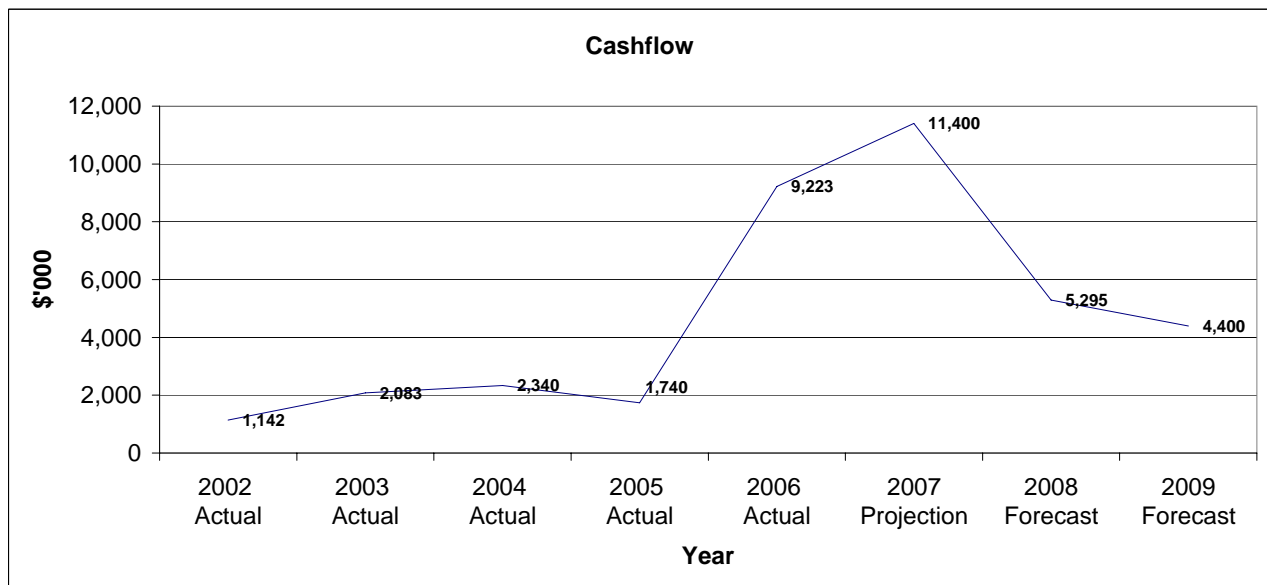
Appendices:

Appendix I	2008 Current Pressures – N/A
Appendix II	2008 Capital Overview
Appendix III	Existing Capital Project List
Appendix IV	2008 New Capital Detail
Appendix V	Ten Year Capital Plan
Appendix VI	Performance Measures/Benchmarks – N/A
Appendix VII	Staffing Information – N/A
Appendix VIII	User Fees – N/A

**APPENDIX II
GO TRANSIT
2008 CAPITAL OVERVIEW**

Existing Capital GO Transit (\$'000)							
Year of Projects	Carry-forward from 2006	2007 Budget	Total Approved Capital	In-Year Adjustments as at July 31, 2007	2007 Projected Spending (Includes Closed Projects)	2007 Carry-forward to 2008	# of Projects Carry-forward to 2008
1998	0	0	0	-	0	0	0
1999	0	0	0	-	0	0	0
2000	0	0	0	-	0	0	0
2001	0	0	0	-	0	0	0
2002	0	0	0	-	0	0	0
2003	0	0	0	-	0	0	0
2004	0	0	0	-	0	0	0
2005	0	0	0	-	0	0	0
2006	7,276	0	7,276	512	6,764	0	0
2007	0	6,181	6,181	-	4,636	1,545	1
2007+				-			
Total	7,276	6,181	13,457	-512	11,400	1,545	1

2008 - 2017 Capital Plan (\$'000)					
Carry-forward from 2007	2008 Budget	2008 # of New Projects	Total Capital Available	2008 Total # of Projects	2009 - 2017 Forecast
1,545	5,000	0	6,545	0	0



Commentary on Cash Flow Variance:

We will see a downward trending cash flow for GO capital plan due to the position that Council decided to take as of funding the program only through available DC reserve.

**APPENDIX III
GO TRANSIT
EXISTING CAPITAL PROJECT LIST**

As of July 31, 2007

Project	Description	Gross Revised Budget	Gross Project Actuals	Gross Carry- Forward	Net Revised Budget	Net Project Actuals	Net Carry- Forward	Net % Spent
075900	Go Transit	6,181,000	589,185	5,591,815	6,181,000	589,185	5,591,815	9.53
Total		6,181,000	589,185	5,591,815	6,181,000	589,185	5,591,815	9.53

2008 Financing Sources and Funding Status (\$'000)

2008 Funding Status:

Approved or Pending

(A/P)



Project #

Project Name

Ward

2008			
<u>Total</u>	<u>Funding</u>		
<u>Expense</u>	<u>External</u>	<u>Internal</u>	<u>DCA</u>

GO Transit Capital Requirements
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A 08-5900	GO TRANSIT - UNALLOCATED CAPITAL	Peel	5,000	0	0	5,000
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<i>Totals for Budget Year: 2008</i>			5,000	0	0	5,000
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APPENDIX V
GO TRANSIT
TEN YEAR CAPITAL PLAN

Ten Year Combined Capital Program (\$'000)

<u>Sub Type</u>	<u>Description</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Yrs 6-10</u>	<u>Gross</u>
GO Transit Capital Requirements								
Capital budget requirements, over the ten year forecast period, regarding projects for Peel's share of GO Transit capital projects.								
08-5900	GO TRANSIT - UNALLOCATED CAPITAL CONTINGENCY FOR GO TRANSIT GROWTH CAPITAL PROJECTS.	5,000	4,200	3,700	3,150	2,700	7,250	26,000
10 Year Totals For: GO TRANSIT		5,000	4,200	3,700	3,150	2,700	7,250	26,000
Totals for 10 Year Capital Plan:		5,000	4,200	3,700	3,150	2,700	7,250	26,000