

Staff Report

Report To: City Council
Report From: Kate Allan, Director of Corporate Services
Meeting Date: January 16, 2023
Report Code: CR-23-007
Subject: Phase 4 Safe Restart Funds - Transit

Recommendations:

THAT in consideration of Staff Report CR-23-007 respecting Phase 4 Safe Restart Funds - Transit, City Council directs staff to bring forward a by-law to authorize the Mayor and Clerk to enter into a transfer payment agreement with the Ministry of Transportation for this phase of the funding program and any future phases of the Safe Restart Program.

Highlights:

- Of all City departments and service areas affected by COVID, transit continues to be a service area that bears the lingering impact of lost revenues due to decreased ridership into 2022.
- The Federal-Provincial Safe Restart Agreement secured up to \$4 billion in emergency funding for Ontario's municipalities to help them on the road to safe recovery.
- Since 2020, the City of Owen Sound has received \$1.7 million from the Safe Restart funding program, including \$611,000 allocated explicitly to providing transit services.

Strategic Plan Alignment:

This report supports the delivery of Core Service.

Previous Report/Authority:

[CM-21-003](#) Authorized Bylaw to enter into Safe Restart Transit Funding Transfer Payment Agreement with Ministry of Transportation.

[CR-22-041 Safe Restart Funding - Transit](#)

Background:

The first phase of Safe Restart funding was announced in August 2020. At that time, over \$660 million in transit funding was made available to 110 municipalities with public transit systems. **In the first phase of the program, the City reported actual transit costs and revenues compared to budgeted amounts and was allocated \$172,230.**

In the second phase of the program, the City received \$82,928, which was applied in full to the 2021 fiscal year.

On March 3, 2021, the Province notified the City of Owen Sound of funding available in the third phase of SRA funding for municipal transit, including the phase 3 allocation of \$155,449 to cover COVID-related costs to the end of 2021. By this time, the City had committed to adding a fifth route to the usual four-route system to accommodate consistent demand for transit along the Bayshore Route despite decreased ridership capacity on the existing bus. As a result of the additional contract expenses and continued declining ridership revenue, **the 2021 total eligible phase 3 funds submitted were \$302,163.** In the subsequent top-up payment in 2022, the City will recover the additional \$146,714 from the Province.

On March 22, 2022, the ministry of transportation reviewed reporting of actual transit revenues and expenses reported for the period January 1 to January 31, 2022. Actual revenues and costs have been compared to budgets from 2020 to capture the actual impacts of COVID and adjust for changes in budgets that the City has incorporated. **The City received Phase 3 supplementary funding of \$54,160 in 2022.**

On December 7, 2022, the Minister of Transportation communicated that in order to address ongoing financial pressures experienced by Municipal transit systems between February 1, 2022 and December 31, 2022 an additional phase of the program allocates \$145,559 to the City of Owen Sound.

Analysis:

The funds are contingent on the submission of actual financial data compared to baseline budgets for the year ending December 31, 2022. Included in the submission will be the reduced ridership revenue from Pre-covid levels, additional cleaning costs, as well as the contract and fuel costs associated with the additional route which ran from January through March in order to accommodate physical distancing on the City's busiest route.

At the time of writing this report, the total phase 4 funding that the city may be eligible for is \$140,091. This may be reduced by phase 3 supplementary funding already received in the spring however this still needs to be clarified under the program.

Financial Implications:

Total safe restart funding dedicated to transit of \$611,481 has been allocated in several instalments.

1. Phase 1	2020	\$172,230
2. Phase 2	2020	\$82,928
3. Phase 3	2021	\$155,449
4. Phase 3 top up	2021	\$146,714
5. Phase 3 supplementary	2022	\$17,632
6. Phase 3 supplementary	2022	\$36,528
7. Phase 4	2023	\$140,091 estimated

The estimated funding of \$140,091 will be applied against the transit operating budget at the time it is received. In the event that transit is in a surplus position at the end of the year, the funds will be set aside in a reserve for future transit needs as stipulated by the funding agreement.

Communication Strategy:

Agreement to be returned to the Minister

Consultation:

Ministry of Transportation

Attachments:

Letter from the Minister

Recommended by:

Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Kate Allan, Director of Corporate Services at kallan@owensound.ca.