

Date: 2020-09-03

Subject: **COVID-19 Relief Funding for Brampton Transit**

Secondary Title: The Government of Canada and Province of Ontario is providing COVID-19 relief funding to municipal transit agencies, including Brampton Transit. This report seeks approval of a by-law required to authorize the execution of any Transfer Payment Agreements required for the City of Brampton to receive funds.

Contact: Alex Milojevic, General Manager, Transit
905.874.2750 ext. 62332, alex.milojevic@brampton.ca

Report Number: Brampton Transit-2020-089

Recommendations:

1. That the report from Alex Milojevic, General Manager, Transit, dated September 3, 2020, to the Committee of Council Meeting of September 23, 2020, re: **COVID-19 Relief Funding for Brampton Transit (Report Number Brampton Transit-2020-089, IB.c)**, be received; and
2. That a by-law be enacted delegating authority to the Mayor and City Clerk to execute on behalf of the City of Brampton any Transfer Payment Agreements with the Her Majesty the Queen in right of Ontario as represented by the Minister of Transportation as required under the provisions that a) of any phases of Federal-Provincial Safe Restart Agreement (Municipal Transit), and/or, b) Provincial Municipal Transit Enhanced Cleaning Funding, under key business terms and conditions acceptable to the General Manager, Transit or designate, and in a form acceptable to the City Solicitor or designate; and
3. That the aforesaid by-law also delegate authority to the General Manager, Transit or designate, to act as the Authorized Representative of the City and to execute on behalf of the City any amending agreement(s) or other documentation pursuant to any such Transfer Payment Agreements, under key business terms and conditions acceptable to the General Manager, Transit or designate and in a form acceptable to the City Solicitor or designate.

Overview:

- **The Government of Canada and Province of Ontario recently released details around two funding programs that will provide financial relief to municipalities, and directly to municipal transit agencies, related to the impacts of COVID-19.**
- **These programs will provide (separately) funding to municipalities and municipal transit agencies. This report focuses on the municipal transit funding component.**
- **The City of Brampton (Brampton Transit) is set to receive up to approximately \$24.6M in funding to assist with the impact of COVID-19, including the support of transit financial pressures such as revenue losses, expenses incurred as a result of the outbreak including enhanced cleaning as follows:**
 - **Federal-Provincial Safe Restart Program (Transit; Phase I of 2) - \$24M**
 - **Provincial Municipal Transit Enhanced Cleaning Fund - \$0.6M**
- **In Ontario, The Ontario Ministry of Transportation (MTO) is administering these programs in partnership with the Government of Canada.**
- **A by-law authorizing the City of Brampton to enter into a Transfer Payment Agreement(s) (TPA) with the Province is required.**

Background:

The Government of Canada and Province of Ontario has recently announced details regarding a) the Federal-Provincial Safe Restart Funding (note separate funding is being provided to municipalities and municipal transit agencies), and, b) Provincial Municipal Transit Enhanced Cleaning (MTEC) funding programs. Under these programs Brampton Transit will initially be receiving up to approximately \$24.6M in COVID-19 relief funding.

This report recommends approval of the necessary by-law required to provide authorization for the Mayor and City Clerk to execute the required Transfer Payment Agreement(s) (TPA's) with the province. Additionally, this report seeks approval for the General Manger (or designate), Transit, to be authorized to execute any amending agreements, documentation, reports, claims, etc., that may be required under the TPA's.

Current Situation:

The Ontario Ministry of Transportation (MTO) is administering these funds directly with Ontario municipalities/transit agencies. In order to receive transfer of approved funds under these programs, Transfer Payment Agreements (TPA's) must be executed between the MTO and the City as required by the province. This practice is in keeping with other transit funding programs, including but not limited to, the Federal and

Provincial Gas Tax Funding Programs, Public Transit Infrastructure Funds, and the Investing in Canada Infrastructure Program (ICIP).

A | Federal-Provincial Safe Restart Agreement:

On July 27, 2020, as part of the federal-provincial Safe Restart Funding, the Ontario government announced that it had secured up to \$4 billion in one-time emergency assistance to provide Ontario's 444 municipalities with the support they need to respond to COVID-19, and deliver the critical services people rely on every day.

On August 12, 2020, the Minister of Transportation provided additional details regarding this investment. This program will provide support to municipalities and municipal transit systems to help them deal with financial pressures related to COVID-19, maintain critical services and protect vulnerable people as the province safely and gradually opens. It includes:

- Up to \$2 billion to support municipal operating pressures; and
- Up to \$2 billion to support municipal transit systems.

The City of Brampton is set to receive an allocation of \$10.9M for Phase 1 to support municipal operating pressures. This is in addition to the allocation to support municipal transit systems. Only the funding required to the support of municipal transit systems through the Safe Restart Program will be discussed further in this report.

The \$2 billion investment to municipal transit systems is being delivered in two phases as follows:

Phase 1:

- \$666 million (1/3rd) will be allocated to municipalities with transit systems based on the same ridership formula used to calculate the Gas Tax allotments.
- The City of Brampton (Brampton Transit) is set to receive \$24,031,309 in support for COVID-19 related expenditures incurred from April 1, 2020 to September 30, 2020.
- For Phase 1 there is no current requirement to execute a TPA.
- The province intends to make the Phase 1 payment to the City in September 2020.

Phase 2:

- Details on the remaining \$1.33B (remaining 2/3rds) are still to be announced at the time of writing this report, but currently, will be inclusive of expenditures up to March 31, 2021.
- The execution of a TPA will be required to receive Phase 2 funds.
- MTO intends to build specific requirements into the Phase 2 agreements to achieve important transit objectives to promote ridership growth and transit sustainability.

- MTO has advised that in order to qualify for funds under Phase 2 that additional requirements¹ will include:
 - Engage in consolidated procurement opportunities leveraging Metrolinx and other provincial procurement tools; (ALL MUNICIPALITIES); and,
 - Review the lowest performing bus routes and consider whether they may be better serviced by microtransit; (ALL MUNICIPALITIES); and,
 - Work with the Province and Metrolinx where appropriate to determine the feasibility of implementing microtransit options on viable routes; (ALL MUNICIPALITIES); and,
 - Participate in discussions with the Province on advancing fare and service integration; (GTHA & select municipalities); and,
 - Participate in discussions with the Province to optimize transit through new possible governance structures; (GTHA & select municipalities).

(B) | Provincial Municipal Transit Enhanced Cleaning (MTEC) Fund:

The provincial government has announced an incremental funding program to assist municipal transit agencies by providing funding under the Municipal Transit Enhanced Cleaning (MTEC) fund.

The Ontario Government is providing up to \$15M to 110 municipalities across the province to support enhanced cleaning of municipal public transit systems to keep passengers and employees safe and help reduce the transmission of COVID-19. Details of the MTEC are as follows:

On June 29, 2020, Mayor Brown was notified by the Minister of Transportation that the City of Brampton would be receiving an allocation of \$602,038 under the MTEC.

The following outline the steps and actions the municipality will be required to undertake to receive MTEC funding:

1. Confirmation by the municipality of interest in seeking MTEC funding by September 11, 2020.
2. Execution of the required TPA.
3. Provision of an authorizing by-law and, if applicable, resolution(s) as per this report.
4. Provision of Report on Expenditure
 - a. The City will be required to provide the Report on Expenditures on or before January 29, 2021.
 - b. Once received, MTO will review and initiate the payment of MTEC funding for eligible expenditures.

¹ These requirements may have far reaching impacts to City's transit service. A further report to Council may be required before exercising delegated authority to sign a TPA under Phase 2 Safe Restart funding. Transit staff will consult with Legal and Purchasing as may be required.

Corporate Implications:

A by-law has been prepared for the Mayor and City Clerk to execute; providing the necessary authority to enter into any required TPA's with MTO. Once the by-law, attached to this report as Appendix A, has been enacted by Council it will be provided to the MTO to begin the administration of the TPA's.

Financial Implications:

The combined \$24.6M in COVID-19 relief funding being provided to Brampton Transit under Federal-Provincial Safe Restart Program (Phase 1) and the Provincial Municipal Transit Enhanced Cleaning (MTEC) Fund, along with any additional funding that may possibly be made available from Phase 2 of the Safe Restart Funding will contribute to the forecasted transit revenue losses and incremental transit expenditures related to COVID-19 up to March 31, 2021.

Term of Council Priorities:

In support of *Living the Mosaic: Brampton 2040 Vision*, this report achieves the following priorities under the *2019-2022 Council Term of Direction: A Compass for our Community* by providing the necessary authority for the Mayor and City Clerk to execute the required TPA with the MTO under the programs outlined in this report:

- Brampton is well run City:
 - Collaboration and Advocacy. Effectively leverage and seek partnerships.
 - Maintaining effective stewardship of municipal assets and services.

Conclusion:

The MTO has provided the City of Brampton with confirmation of funding allocated to Brampton Transit to assist with the impact of COVID-19. This includes approximately a) \$24M under The Federal-Provincial Safe Restart Agreement (Phase I of 2), and b) \$0.6M under the Provincial Municipal Transit Enhanced Cleaning Fund.

A By-law is required to proceed with executing the required TPA(s) with the MTO in order to receive Brampton's approved allocation of \$24.6M, along with any future releases of funds provided through new phases of these programs.

Authored by:

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Reviewed by:

Ivana Tomas
Director, Transit Services

Approved by:

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Attachments: Appendix A - By-law: Transfer Payment Agreements for Municipal Transit COVID-19 Relief Funding

Appendix A
Transfer Payment Agreements: Municipal Transit COVID-19 Relief Funding



THE CORPORATION OF THE CITY OF BRAMPTON

BY-LAW

Number _____ - 2020

COVID-19 Relief Funding for Brampton Transit

WHEREAS the Municipality wishes to enter into the required Transfer Payment Agreements in order to receive COVID-19 relief funds for the City's transit operations through the Federal-Provincial Safe Restart Agreement and the Municipal Transit Enhanced Cleaning Funding Programs (Ontario);

AND WHEREAS The Ministry of Transportation Ontario (MTO) will be carrying out the administration and coordination with municipalities under said funding programs;

AND WHEREAS the City is required to enter into Transfer Payment Agreement(s) with MTO in order that the City receive its share of approved funding under these programs;

NOW THEREFORE the Council of The Corporation of the City of Brampton ENACTS AS FOLLOWS:

1. That the Mayor and the City Clerk are hereby delegated authority to execute on behalf of the City of Brampton any Transfer Payment Agreements with Her Majesty the Queen in right of Ontario as represented by the Minister of Transportation as required under the provisions of:
 - a) any phases of the Federal-Provincial Safe Restart Agreement (Municipal Transit); and
 - b) the Provincial Municipal Transit Enhanced Cleaning Program,
under key business terms and conditions acceptable to the General Manager, Transit or designate, and in a form acceptable to the City Solicitor or designate; and,
2. That the General Manager, Transit or designate, is hereby delegated authority to act as the Authorized Representative of the City and to execute on behalf of the City any amending agreement(s) or other documentation pursuant to any such Transfer Payment Agreements, under key business terms and conditions acceptable to the General Manager, Transit or designate and in a form acceptable to the City Solicitor or designate.

Appendix A
Transfer Payment Agreements: Municipal Transit COVID-19 Relief Funding

ENACTED and PASSED this [enter date] day of [enter month], 2020.

Approved as to
form.

Patrick Brown, Mayor

Approved as to
content.

Peter Fay, City Clerk