



City of North Bay Report to Council

Report No: IO-2021-04

Date: March 12, 2021

Originator: Drew Poeta

Business Unit:
Infrastructure and Operations

Department:
Transit Department

Subject: Transfer Payment Agreement for the Safe Restart Agreement (SRA) – Phase 2 Municipal Transit Funding.

Closed Session: yes ☐ no ☒

Recommendation

1. That the Mayor and City Clerk be authorized to enter into a Transfer Payment Agreement on behalf of the City of North Bay with Her Majesty the Queen in the right of Ontario, represented by the Minister of Transportation for the Province of Ontario, for the Safe Restart Agreement (SRA) - Phase 2 Municipal Transit Funding;
 2. That an execution by-law be presented for three readings on March 23, 2021 permitting The Corporation of the City of North Bay to enter into a Transfer Payment Agreement with the Her Majesty the Queen in the right of Ontario, represented by the Minister of Transportation for the Province of Ontario, for the Safe Restart Agreement (SRA) - Phase 2 Municipal Transit Funding.
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Background

The Safe Restart Agreement (SRA) Public Transit Funding Stream was established by the Government of Ontario and the Government of Canada to support Ontario municipal transit systems with COVID-19 pandemic related financial pressures. The funding is administered through the Province of Ontario.

Initially the Province provided SRA funding to eligible Public Transit Systems (Recipient) in September 2020 (Phase 1) to offer the Recipient immediate assistance towards additional municipal transit expenses the Recipient incurred as a result of COVID-19 Pandemic, on or after April 1, 2020 and on or before September 30, 2020.

The funding for Phase 2, which will be provided to the Recipient in accordance with the terms and conditions set out in the Transfer Payment Agreement for the Safe Restart (SRA) – Phase 2 Municipal Transit Funding (Agreement), is intended to provide the Recipient with assistance for the Financial Impacts as defined in the Agreement for the eligibility period.

Since announcing Phase 2 funding, to address the anticipated ongoing need for financial support beyond the end of the SRA program on March 31, 2021, the Province has updated the SRA program and has approved an additional \$150 million of provincial funding to support COVID-19 impacts on transit. The total SRA funding envelope is \$2.15 billion, which consists now of three phases:

- Phase 1 - \$700 million, including needs-based top-ups, for COVID-19 related financial impacts between April 1 and September 30, 2020;
- Phase 2 - \$800 million for COVID-19 related financial impacts between October 1, 2020 and March 31, 2021; and
- Phase 3 - \$650 million for COVID-19 related financial impacts and costs related to transit initiatives, including fare and service integration, on-demand micro transit, and governance, between April 1 and December 31, 2021. The Province may, at its sole discretion and on a case-by-case basis, grant extensions to the Phase 3 eligibility period for costs incurred up to December 2022 as requested.

Municipal funding allocations under the program are based on a formula of transit ridership, plus a base amount of \$40,000 per recipient.

Phase 2 funding will flow to municipalities by way of a transfer payment agreement (TPA) between the Province and municipal recipients, with payments based on a one-time claim for eligible expenditures.

Financial

Eligible Phase 2 funding for North Bay Transit is up to a maximum of \$1,512,623.

Municipalities must enter into the funding agreement by March 31, 2021.

Under Phase 1 the City received \$1,201,515 and it was recently announced that the City will be eligible for Phase 3 funding up to a maximum of \$1,162,221.

Corporate Strategic Plan

- | | |
|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

Provide smart, cost effective services and programs to residents and businesses.

Maximize funding opportunities with other governments.

Options Analysis

Option 1:

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This option is recommended.

Option 2:

That the Mayor and City Clerk not enter into a Transfer Payment Agreement on behalf of The Corporation of the City of North Bay for the Safe Restart Agreement (SRA) –

Phase 2 Municipal Transit Funding.

This option is not recommended as the City will forfeit Phase 2 funding that can be used to address COVID-19 related financial pressures.

Recommended Option

1. That the Mayor and City Clerk be authorized to enter into a Transfer Payment Agreement on behalf of the City of North Bay with Her Majesty the Queen in the right of Ontario, represented by the Minister of Transportation for the Province of Ontario, for the Safe Restart Agreement (SRA) - Phase 2 Municipal Transit Funding;
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Respectfully submitted,

Drew Poeta
Transit Manager

We concur in this report and recommendation.

John Severino, P. Eng., MBA
City Engineer – Infrastructure & Operations

Margaret Karpenko
Chief Financial Officer

David Euler, P. Eng.
Chief Administrative Officer

Attachments:

None

Personnel designated for continuance:

Name: Drew Poeta

Title: Transit Manager