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YORK REGION TRANSIT PROVINCIAL AND FEDERAL GOVERNMENT FUNDING SUMMARY

The Transit Committee recommends the adoption of the recommendation contained in the following report, June 6, 2005, from the Commissioner of Transportation and Works:

1. RECOMMENDATION

It is recommended that:

1. This report be received for information.

2. PURPOSE

The purpose of this report is to update Transit Committee and Regional Council with a consolidated summary of the amounts and status of the various transit related funding programs currently provided by the Provincial and Federal Governments.

3. BACKGROUND

Both senior levels of government have active programs which provide direct or indirect funding for transit related operations and new initiatives. During the past year, both levels of government have created new programs to share a portion of their gas tax revenues with municipal authorities.

The Province of Ontario, through the Ministry of Transportation, has several programs which support separate aspects of public transit. These cover both support for capital investment in new or replacement equipment as well as incentives for growth related initiatives. The gas tax program is their most recent initiative.

The Government of Canada has two programs from which York Region can receive funds. One is the 2004 Transport Canada “Intelligent Transportation Systems” program covering automation for conventional and para-transit vehicle projects. The second is their recently announced gas tax sharing commitment.

4. ANALYSIS AND OPTIONS

4.1 Provincial Program Summary

The Ontario Transit Vehicle Program (OTVP) is a new program for 2005 which replaces the former Ontario Transit Renewal Program (OTRP). The purpose of the program is to provide growth and replacement vehicle funding and additional incentive funding where applicable to encourage transit ridership growth and the use of alternative fuel (hybrid) buses.

The GTA Infrastructure Transit Program (GTIP) provides funding for transit expansion in support of inter-regional transit infrastructure within the province.

The Dedicated Gas Tax Program provides municipalities with an increasing portion of provincial gas tax revenues in support of initiatives that target transit ridership growth.

4.2 Federal Program Summary

The Federal Intelligent Transportation Systems (ITS) Program provides funding for investment in infrastructure related initiatives involving use of automation or technology on conventional or para-transit vehicles.

The Federal Gas Tax Program will provide municipalities with an increasing portion of federal gas tax revenues in support of initiatives that target infrastructure investments including those in transit.

5. FINANCIAL IMPLICATIONS

The financial implications of the funding described is that York Region can expect to receive or has received amounts as follows:

- OTRP – received \$1.957 M in February, 2005 for the period of January 1 to December 31, 2004. The Region also received a Ridership Bonus payment of \$293,948 in April, 2005 in recognition of ridership growth during 2004. These funds will be applied to the operating budget to reduce the impact to tax levy and debenture funding requirements.
- OTVP – will provide one-third of expenditures on vehicle purchases made in 2005. Based on capital budget projections, this amount will be \$5 million.
- GTIP – claim for \$6.6 million pending, covering projects undertaken and completed in 2001 to 2003. The completed projects included expansion vehicles for both conventional and specialized programs as well as the construction of a bus bay at the Markham Centennial GO station. Agreement language and content are still being finalized. Final signatures will be requested shortly, with payment expected to be

received during the summer of 2005. These funds will be applied to the capital budget in order to reduce financing costs.

- Provincial Dedicated Gas Tax – first quarterly funding received in December, 2004 in amount of \$1.48 million. Two payments for a total of \$2.96 million have been received in 2005 (in February and May). The Region is presently holding the entire \$4.44 million in a dedicated gas tax reserve account. For 2005, these monies can be applied to either capital or operating budgets. Finance has decided that they will be applied to YRT 2005 capital budget needs to reduce debenture requirements.
- Federal ITS – a special application was submitted in 2004. The application covers anticipated expenditures on software for the new Transit Control Centre. This includes the Global Positioning and Transit Signal Priority systems. York Region was awarded up to \$250,000 and will formally apply for the funds later this year.
- Federal Gas Tax - nothing received as yet. Commitment has been announced and the amount for York Region municipalities has been calculated to be a total of \$2.9 million. It should be noted that these funds are not solely for transit related initiatives. Gas Tax funding could apply to either capital or operating budgets.

6. LOCAL MUNICIPAL IMPACT

The funding provided through these programs will be helpful in reducing the tax levy burden on the Region but only partially addresses the fiscal realities of transit related commitments already underway. The impact on the operating and capital budgets already in place for 2005 is less than 5%.

7. CONCLUSION

York Region Transit continues to ensure all applicable programs are accessed to provide funding in support of service commitments.

The Senior Management Group has reviewed this report.