

## **Staff Report 2019-0127**

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Meeting Date: September 17, 2019

Subject: Community Transportation Grant Program

Submitted By: Heather Haire, Treasurer, Finance

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### **RECOMMENDATION**

That the Town of Caledon supports the local Community Transportation Project and is committed to implementing the service to begin on October 1, 2019;

That the Town of Caledon agrees to receive and be responsible for the Community Transportation Grant Program funds from the Province of Ontario; and

That the proposed by-law, attached as Schedule A to Staff Report 2019-0127, be enacted.

### **REPORT HIGHLIGHTS**

- The purpose of this report is to provide Council an update on the Province of Ontario's Community Transportation grant and to obtain the required resolution from Council and By-law in accordance with the Ministry of Transportation of Ontario's (MTO) Transfer Payment Agreement for the Community Transportation Grant Program.
- MTO introduced a new round of funding for transportation projects through a 5-year Community Transportation Grant Program to provide financial assistance to municipalities from 2018 to 2023. The Town of Caledon and CCS jointly submitted the proposal to the CT Program, and was announced the successful applicant for a total funding of \$500,000.
- The approval of this report and the by-law will allow the agreement to be executed between the Town and MTO.
- This report also provides an update on the CCS requested, in late 2018, for the Town to provide \$75,000 of Transit Funding from the Town's 2019 Operating Budget.

### **DISCUSSION**

#### Community Transportation Grant Program

The Ministry of Transportation of Ontario (MTO) Transfer Payment Agreement for the Community Transportation Grant Program has specific requirements related to the resolution of Council and Town by-law required for the execution of the agreement. Staff received Council approval to execute the Transfer Payment Agreement in June 2018 after it was announced that the Town of Caledon and Caledon Community Services (CCS) were successful recipients of the grant. However, at that time the Transfer Payment Agreement

was not available therefore the Ministry required resolution and by-law were not enacted by Council in June 2018.

CCS' Transportation Program provides specialized transportation, such as short or long-term disabilities and seniors, to Caledon and surrounding areas. Between 2016 to 2018, CCS received the funding from the Ministry of Transportation of Ontario's (MTO) Community Transportation Pilot Grant Program through the Town of Caledon and was able to expand its passenger eligibility to include youth non-seniors, and non-disabled Caledon residents between the age of 8 – 59. Transportation options were provided for these individuals and supported their access to employment, community services programs and a variety of civic engagement activities. This Pilot Program expired March 31, 2018.

Building on the 2-year Pilot Program, MTO introduced a new round of funding for transportation projects through the 5-year Community Transportation Grant Program (the CT Program) to provide financial assistance to municipalities from 2018 to 2023. The Town of Caledon and CCS jointly submitted the proposal to the CT Program, and was announced the successful applicant for a total funding of \$500,000. Before funds are disbursed to the municipality, the municipality is required to enter into a Transfer Payment Agreement with the MTO. The Town recently received the Transfer Payment Agreement for the 2018 to 2023 program. While the Mayor and Clerk was provided authorization to enter into a Transfer Payment Agreement for the \$500,000 Community Transportation Program grant, the agreement has specific requirements on the resolution of Council and by-law required to be passed by the Town before the agreement may be fully executed.

Like the pilot program, the \$500,000 of grant funding will flow from the MTO to the Town. For the administration of the pilot grant funds, staff executed a memorandum of understanding (MOU)/ agreement with CCS in 2015, in accordance with the delegated authority by-law, as to how the funds will be disbursed from the Town to CCS. Since the Town has again partnered with CCS, a MOU is required to govern the administration (including processes and internal controls) of the grant and distribution of funds from the Town to CCS in accordance with the terms of the Ministry of Transportation's Transfer Payment Agreement. Staff are currently finalizing the MOU with CCS with the goal of having it executed by the start date of the new program. In the essence of time and due to the Town receiving and being responsible for the grant funds, the MOU for this round of grant funding will be the same as the previous 2-year pilot program.

## **FINANCIAL IMPLICATIONS**

There are no immediate financial implications associated with this report. As reported in 2018 and in the grant application, CCS intends to spend approximately \$100,000 of the \$500,000 grant to purchase a new bus and the balance to pay the operating costs to provide the service to 2023.

In 2018, late in the 2019 Budget process, CCS requested the Town for \$75,000 of Transit Funding from the Town's 2019 Operating Budget. That is, the Town was requested to allocate \$75,000 of funding raised through property taxes to support the CCS Transit program. This request was not approved in the 2019 budget.

Since that time CCS has met with staff on two separate occasions, 7-May-2019 and 9-August-2019, to better understand the CCS Transit program and background on the CCS request.

In addition to the program that will be funded with the MTO grant noted in this report, CCS also provide three other transit programs:

- 1) Long-Term Care;
- 2) TransHelp;
- 3) "Community Rides"

Based on projections provided by CCS at the 9-August-2019 meeting, CCS is projecting to break-even on its Transit Service Operations (only) in 2019 (modest \$2,761 surplus). However, when factoring in CCS' capital program, i.e. bus replacement program, it appears that CCS will need to replace one to two buses per year for the next four to five years at approximately \$100,000 per bus. It does not appear that any funds have been set aside for the replacement of buses over the years. Accordingly, the Town is now being requested to pay for bus replacements \$75,000 in 2019 which could increase to \$100,000 - \$200,000 in 2020, 2021, 2022.

Council has approved \$320,000 in the Town of Caledon's 2019 budget to implement transit in Bolton and Mayfield West in accordance with the Town's approved Transit Feasibility Study. At this time, there is no projected surplus from the \$320,000 allocated in 2019 and future years. Accordingly, there are no transit funds remaining to be provided to CCS in 2019.

Based on the financial projections provided by CCS staff, it appears CCS is managing the operating side its transit service within budget but has a \$100,000 to \$200,000 annual shortfall related to bus replacements over the next few years. The Town of Caledon's provision of public transit in Caledon does not include the Town to purchase buses and the hiring drivers to implement this service. The Transit Feasibility Study does include future phases which CCS may bid to provide the service for. However, at this time, Council has only approved phase 1 (Bolton and Mayfield West) at \$320,000.

Staff do not recommend increasing 2020 budgets/implementing tax increases to support the replacement of CCS buses while the Town is in the early stages of implementing public transit. Additional investments in transit service in Caledon should be made following the results of Phase 1 implementation of the Town Transit Service (e.g. the Bolton and

Mayfield West service). That is additional property taxes levied for transit should be considered following reporting of the Phase 1 (Bolton and Mayfield West) services.

## **COUNCIL WORK PLAN**

### **Sustainable Growth**

Continue the implementation of the Transportation Master Plan including transit, infrastructure, cycling, traffic management, traffic calming, livable and walkable communities

## **ATTACHMENTS**

Schedule A: Community Transportation Grant By-law