

**Ministry of
Transportation**

Office of the Minister

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**Ministère des
Transports**

Bureau de la ministre

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December 15, 2020

RECEIVED

December 16, 2020

REGION OF PEEL
OFFICE OF THE REGIONAL CLERK

107-2020-5044

Regional Chair Nando Iannicca
Regional Municipality of Peel
10 Peel Centre Drive
Brampton ON L6T 4B9

Dear Regional Chair Iannicca:

Our government is committed to supporting municipal transit, and we will continue to champion the needs of our municipal partners and transit users as we collectively fight against the impacts of the COVID-19 pandemic. Together with our federal partners, the Province is working to help municipalities mitigate the financial impacts of the pandemic on their transit systems through the provision of Safe Restart Agreement (SRA) funding for public transit.

This letter is to provide your municipality with an update on funding for Phase 2 of the SRA program.

Phase 2 allocations reflect a program envelope of \$1.5 billion. The envelope includes Phase 1 funding already provided, Phase 1 top-up funding and Phase 2 funding. This approach better aligns Phase 2 allocations with the financial impacts that were reported through Phase 1 of SRA, while allowing the Province to assist municipalities with higher than anticipated COVID-related impacts.

As for Phase 1 of the SRA program, municipal funding allocations under the program will continue to be based on a formula of transit ridership, plus a base amount of \$40,000 applied to each total program allocation, to provide meaningful support for municipal transit systems of all sizes.

In response to the need to have a confirmed funding commitment in place in order to accrue revenue for the 2020 municipal fiscal year, and in support of this, I am pleased to share that the **Regional Municipality of Peel** ("Recipient") will be eligible to receive an allocation of up to **\$701,856** to support your COVID-19 municipal transit pressures for Phase 2, incurred from October 1, 2020 to March 31, 2021. Payments are to be based on a one-time claim for eligible expenditures.

REFERRAL TO _____

RECOMMENDED

DIRECTION REQUIRED _____

RECEIPT RECOMMENDED ☒ _____

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Additionally, the Province has set aside \$500 million in funding to be available for additional municipal transit needs. I am pleased to share that the **Regional Municipality of Peel** (“Recipient”) will be eligible to receive an allocation of up to **\$406,230** to address additional pressures based on ridership.

Please note as part of the Phase 1 reporting submission, the **Regional Municipality of Peel** forecasted a financial impact from COVID-19 in the amount of \$0 for the period of October to December 2020, and the amount of \$0 for the period of January to March 2021. For budgeting purposes, the total available allocation of up to **\$1,108,086** for the **Regional Municipality of Peel** can be used to address eligible expenses incurred from October 1, 2020 to December 31, 2020, and those incurred from January 1, 2021. This accounts for the entirety of the Phase 2 public transit stream of the SRA.

Eligible Expenditures

Like Phase 1, eligible expenditures under Phase 2 of the SRA funding program include both COVID-19 related financial pressures (losses) associated with the need to continue to operate with reduced revenue, as well as new expenditures resulting from COVID-19. The losses and new expenditures will have to be incurred on or after October 1, 2020 and on or before March 31, 2021, and the new expenditures will have to be paid prior to having submitted to the Province for payment through your municipality’s Phase 2 reporting submission.

For the categories below, your municipality will also have to consider savings associated with COVID-19 (e.g., reduced service levels, lower maintenance costs, etc.) as these savings will need to be included as part of your municipality’s Phase 2 reporting submission. The Province will only provide funding for net municipal expenditures (i.e., net COVID-related financial impacts above budgeted 2020 expenditures). The SRA funding is not to replace the budgeted subsidy that the municipality provides to transit operations.

Reported revenue and expense impacts include those changes (increases/decreases) resulting from COVID-19, measured versus projected figures from your municipal transit system’s 2020 operating budget. Please note that this also applies to eligible expenditures incurred between January 1 and March 31, 2021, for which period municipalities can use their January to March 2020 operating budgets as a baseline for establishing COVID-related impacts.

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Eligible expenditures will include, at the Province’s sole discretion, the following:

a. Revenue Losses:

- farebox revenue losses;
- advertising revenue losses;
- parking revenue losses;
- contract revenue losses; and
- any other revenue loss the Recipient incurred as a result of the COVID-19 pandemic that, in the opinion of the Province, is considered eligible.

b. Operating Costs:

- costs associated with vehicle cleaning, except for those for which MTEC funds have been provided or claimed;
- costs associated with changes in fuel consumption (e.g., increases due to running additional buses or savings in consumption relating to lower service levels than budgeted, or both);
- costs associated with vehicle maintenance;
- costs associated with transit facilities;
- costs resulting from existing contracts with expanded scope/new contracts;
- employee related costs (i.e., salaries, wages, benefits);
- costs for employee personal protection equipment (e.g., face masks, gloves, sanitizer);
- costs for signage and other means of communications related to COVID-19 pandemic (e.g., social distance guidance); and
- any other operating cost the Recipient incurred as a result of the COVID-19 pandemic that, in the opinion of the Province, is considered eligible.

c. Capital Costs:

- costs associated with installing driver protection barriers and other protection measures for transit drivers;
- costs associated with providing passenger protection equipment and other passenger safety measures; and
- any other capital cost the Recipient incurred as a result of the COVID-19 pandemic that, in the opinion of the Province, is considered eligible.

The following are the steps and actions the municipality will be required to undertake to receive SRA Phase 2 funding:

1. Confirmation of interest in seeking SRA Phase 2 funding

- If your municipality is interested in seeking SRA Phase 2 funding, please complete the attached Request for Recipient Information Form and send it back via email to the SRA funding program email account **(MTO-COVID_Transit_Funding@ontario.ca)** as soon as possible.

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2. Execution of the TPA

- MTO will prepare the TPA and send it to your municipality for execution by the municipality's authorized representatives prior to Provincial execution of the TPA.

- This process will be carried out electronically and, once fully executed, an electronic version of the TPA will be provided to your municipality.

3. Provision of an authorizing by-law and, if applicable, resolution(s)

- Prior to the Province signing the TPA, the municipality will be required to provide MTO with a copy of the by-law(s) and, if applicable, resolution(s) authorizing the municipality to enter into the TPA with the Province.
- This requirement must be fulfilled prior to the Ministry providing funding to the municipality.

4. Provision of Phase 2 financial reporting

- The municipality will be required to provide a report for the eligible expenditures incurred during the Phase 2 eligibility period. The deadline for submitting Phase 2 financial reporting will be set out in the TPA.
- Once received, MTO will review the report and may initiate the payment of SRA Phase 2 funding.

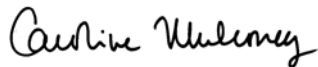
All communications for the above noted steps, as well as any questions or concerns, should be addressed to the SRA funding program email account:

MTO-COVID_Transit_Funding@ontario.ca

Should you not wish to receive SRA Phase 2 funding, we ask that you please advise us by return email to the address above.

I look forward to working with you as we proceed together with the execution of a TPA in support of addressing COVID-19 related financial impacts on municipal public transit.

Sincerely,



Caroline Mulroney
Minister of Transportation