
REPORT TITLE: **Municipal Transit Enhanced Cleaning Provincial Funding**

FROM: Stephen Van Ofwegen, Commissioner of Finance and Chief Financial Officer

RECOMMENDATION

That the Regional Chair and the Regional Clerk be authorized to execute the Transfer Payment Agreement between Her Majesty the Queen in right of Ontario as represented by the Minister of Transportation for the Province of Ontario and the Regional Municipality of Peel, to facilitate the Province of Ontario's release of Municipal Transit Enhanced Cleaning provincial funding to the Region of Peel in order to support enhanced cleaning of its public transit system and help reduce the transmission of COVID-19;

And further, that the necessary by-law be presented for enactment.

REPORT HIGHLIGHTS

- The Ontario Government is providing \$15 million 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.
- The funding is distributed amongst municipalities using a modified version of the dedicated gas tax funding formula utilizing the same data that was used to determine the 2019-20 Dedicated Gas Tax program allocations.
- The Region of Peel (Region) is eligible to receive a maximum allocation of \$8,999 for Municipal Transit Enhanced Cleaning (MTEC) provincial funding.
- The funding will be flowed through an executed Transfer Payment Agreement (TPA) between the Province and the Region of Peel, subject to the Region meeting the terms, conditions and the eligibility requirements as set out in the TPA.
- Eligible costs will include direct costs incurred on or after April 1, 2020 and on or before December 31, 2020 for the enhanced cleaning of transit vehicles and any other public and non-public facing transit assets, that provide or support transit services to reduce the risk of exposure to COVID-19.
- In order for the Region of Peel to obtain MTEC funding Regional Council is required to enact a by-law authorizing the execution of the TPA with the Province of Ontario.
- The Region is required to provide a claim for payment together with supporting documentation on or before January 31, 2021 to the Minister of Transportation (MTO), after which MTO will review and initiate the payment of MTEC funding for eligible expenditures.

DISCUSSION

1. Background

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On June 29, 2020, the Honourable Caroline Mulroney, Minister of Transportation, announced in a letter addressed to the Regional Chair, that the MTEC provincial funding is being provided to reduce the risk of exposure to COVID-19. This letter was received at the July 9, 2020 Regional Council meeting.

The Ontario Government is providing up to \$15 million 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. To allocate the \$15 million across 110 municipalities, the funding is distributed amongst municipalities using a modified version of the current gas tax funding formula. The modification includes a \$500 base funding amount for each recipient in addition to a funding distribution determined by 70 per cent ridership and 30 per cent population, utilizing the same data that was used to determine the 2019-20 Dedicated Gas Tax program allocations. The Region of Peel is eligible under this calculation methodology to receive a maximum allocation of \$8,999 for MTEC provincial funding.

MTEC funding will be flowed through an executed TPA between the Province and the Region of Peel (Region). Payment is based on a one-time claim submitted by the Region for eligible expenditures.

2. Municipal Transit Enhanced Cleaning Provincial Funding

The Region has been allocated a maximum MTEC funding amount of \$8,999, subject to the Region meeting the terms, conditions and the eligibility requirements as set out in the TPA.

Eligible costs include direct costs incurred by the Region on or after April 1, 2020 and on or before December 31, 2020. These costs include items considered to have been properly and reasonably incurred and that, in the opinion of the Province, are necessary for the enhanced cleaning of transit vehicles and any other public and non-public facing transit assets, that provide or support transit services. In addition to having been incurred, these costs will have to have been paid by the Region prior to being submitted to the Province for payment and may include:

- costs of cleaning materials for the MTEC;
- costs of hand sanitizer for passenger and staff use;
- costs of safety wear for the MTEC, such as gloves or goggles;
- costs of equipment purchased for the MTEC;
- costs of contracted services for the MTEC;
- costs of salaries, including redeployment of staff, for the MTEC; and,
- any other cost that, in the opinion and at the sole discretion of the Province, is necessary for the MTEC.

The following costs are considered ineligible for the purposes of the MTEC's TPA:

- costs incurred before April 1, 2020 and after December 31, 2020;
- costs not paid prior to having been submitted to the Province for payment;
- marketing costs including advertising, promotion and communications;
- core administrative and overhead costs (e.g., rent, telephone and communication lines/services, insurance, and computers);
- recipient's staff, including permanent and seasonal, salaries and travel costs unless otherwise indicated in the TPA's scope of eligible expenditures;
- legal, audit, or interest fees;
- budget deficits;

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- personal protective equipment, unless otherwise indicated in the TPA's scope of eligible expenditures;
- refundable Harmonized Sales Tax or other refundable expenses (e.g., security deposits, etc.); and,
- any other costs that, in the opinion of the Province, are considered ineligible for payment under the agreement.

3. Payment Submission Process

The following required steps must be implemented by the Region in order to allow for the release of the MTEC funding by the Province:

1. Regional Council is required to enact a by-law authorizing the Region to enter into the TPA with the Province of Ontario.
2. Execution of the TPA by the Regional Chair and the Regional Clerk as authorized by action in Step 1.
3. Completion of supporting documentation including the Claim and Attestation from the Recipient's Senior Financial Official and the Report on Expenditures and Additional Report and Information as prescribed by the Province.
4. Submission of Claim for Payment, including all required documentation on or before January 31, 2021. Once received, MTO will review and initiate the payment of MTEC funding for eligible expenditures.

CONCLUSION

The Transfer Payment Agreement for the Municipal Transit Enhanced Cleaning provincial funding requires Regional Council to pass a by-law authorizing the execution of the agreement. The MTEC funds will be used to offset costs incurred for the enhanced cleaning of transit vehicles and any other public and non-public facing transit assets, that provide or support transit services to reduce the risk of exposure to COVID-19 and help keep passengers and employees safe.

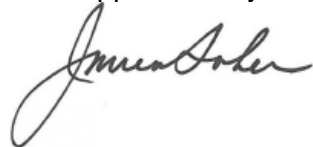
For further information regarding this report, please contact Stephanie Nagel, Ext. 7105, stephanie.nagel@peelregion.ca.

Authored By: Kavita McBain, Supervisor, Financial Policy & Development Financing

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director and Legal Services.

Final approval is by the Chief Administrative Officer.



J. Baker, Chief Administrative Officer