

Safe Restart Agreement Overview

Linking Niagara Transit Committee

April 28, 2021

**MOVING
TRANSIT
FORWARD**

CONNECTING MORE PEOPLE TO MORE POSSIBILITIES

Niagara  Region

Transit-Supportive Funding Safe Restart Agreement (SRA)

- SRA investment provides specific support to municipalities and municipal transit systems
- Intended to address financial pressures related to COVID-19, maintain critical services and protect vulnerable people
- Total combined transit funding envelope to date of \$2.1B
 - **Phase 1** – Aug. 12, 2020 Province flowed \$700M to municipalities (**\$7.5M to Niagara**)
 - **Phase 2** – Dec. 15, 2020 additional \$800M to mitigate costs incurred between Oct. 2020-Mar. 2021 (**\$9.5M to Niagara**)
 - **Phase 3** – Mar. 1, 2021 additional \$650M to mitigate costs incurred up to Dec. 31, 2021 (**\$7.2M to Niagara**)
 - NOTE: Phase 3 extensions to December 2022 are granted ONLY on a case-by-case basis
- SRA funding allocations were determined using ridership (2018 CUTA stats) + base funding of \$40,000 per recipient

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Municipal Funding

Total Niagara SRA funding = **\$24M**

- Under Phase 2, despite accounting for the largest allocation to Niagara, expenditure timing restrictions by province of March 31st, 2021 created challenges to utilize funding
 - 45% unspent in Phase 1 & 2
 - Pushing pressure onto Phase 3 funding

Municipality	Phase 1	Phase 2	Phase 3	Total
Niagara Region	\$609,693	\$772,490	\$590,121	\$1,972,304
Niagara Falls	\$1,939,258	\$2,435,244	\$1,883,826	\$6,258,328
St. Catharines	\$3,849,909	\$4,824,704	\$3,752,681	\$12,427,294
Welland	\$743,580	\$939,929	\$714,303	\$2,397,812
Lincoln	\$15,200	\$0	\$0	\$15,200
West Lincoln			\$0	\$0
Grimsby				\$0
Port Colborne	\$34,390	\$53,017	\$20,627	\$108,034
Thorold	\$248,869	\$321,244	\$230,414	\$800,527
Wainfleet				\$113,619
Niagara on the Lake	\$36,009	\$55,401	\$22,209	\$168,996
Fort Erie	\$53,271	\$76,630	\$39,095	\$18,334
Pelham	\$18,334			
Total Funding	\$7,548,513	\$9,478,659	\$7,253,276	\$24,280,448
Unspent Funds	\$2,258,524	\$5,217,926	\$18,226	\$7,494,676
% Unspent excl. Welland	30%	55%	tbd	

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Identified Gaps in Utilization of Funding

- In response to COVID-19 and Provincial mitigation measures, Niagara's Transit Operators (through the IMTWG) prudently adjusted service levels in an effort to contain budget deficits and align services with demand of residents beginning in April 2020
- Fall 2020: municipalities determine 2021 budgets - transit operators continued to be fiscally responsible and ensured operating budgets aligned within their respective guidelines
- Timing of SRA funding: based on Provincial spending deadlines of Mar. 2021, operators were not able to fully utilize SRA funds which result in current policy of funding being returned to the Province
- Capital: purchases related to COVID-19 identified in Fall 2020 (e.g. permanent protective barriers for drivers) could not be realized within time frame set out under the Provincial guidelines - creates pressure on Phase 3 funding allocations despite unspent Phase 1 & 2 funding
- Governance: Phase 2 funding included costs pertaining to transit service delivery efficiencies, including transit governance; but timeline in Niagara to incur such costs did not align with Province's Mar. 31 2021 existing program deadline

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MTO Discussion Funding Utilization Gaps

- Staff direction from Mayors, LNTC, PWC to pursue upper orders of government to fund one-time transition costs for Niagara's transit governance work
- Region successfully advocated with MTO to have governance become an eligible criteria for SRA - modifications made to SRA Phase 3:
 - For Phase 3 only, allocated funding can be used for up to 50% of costs to support transformation of transit structures/governance between neighboring municipal governments (NOTE: "where the province has been engaged in discussions").
 - Costs must be incurred during Phase 3 eligibility (Apr. 1 – Dec. 31, 2021)
 - Extensions to Phase 3 may be granted on a case-by-case basis up to Dec. 31, 2022.
 - Niagara's transit governance transition would be considered as eligible within the specified eligibility period

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Transition Costs and Opportunity to Leverage SRA Funding

Phase 3 provides an *opportunity* to utilize and retain unspent funds

- Governance Steering Committee will continue to discuss the applicability of Phase 3 Safe Restart Funding as part of workshops on Financial Strategy
- Governance-related costs will be considered after local needs have been maximized, in order to retain and utilize funds that may otherwise be unspent
- Analysis of local needs will continue and be confirmed in Q3 2021
- Continue to advocate for unspent Phase 1 & 2 funds for Governance related costs

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Transition Costs and Opportunity to Leverage SRA Funding

Phase 3 provides an *opportunity* to utilize and retain unspent funds

- Subject to availability of Phase 1, 2, & 3 unspent funds and selected extensions to 2022, up to 70% of one-time transition costs could be mitigated
- Total estimated transition costs = \$5.0 M, \$3.46M in potential mitigation
 - \$0.96M – Repurposed NRT funding in 2021
 - \$0.40M – Repurposed Regional SRA funding
 - \$2.10M – Repurposed Local SRA funding

	One-Time Transition Costs (Apportion)	Offset from NR repurposed 2021 \$	Estimated Net Transition Costs	Phase 3 Safe Restart Funding
St. Catharines	1.3	-0.2	1.0	3.8
Niagara Falls	1.0	-0.2	0.8	1.9
Welland	0.4	-0.1	0.3	0.7
NOTL	0.4	-0.1	0.3	0.02
Port Colborne	0.2	0.0	0.1	0.02
Pelham*	0.2	0.0	0.2	incl. in NR
Thorold	0.2	0.0	0.2	0.23
Fort Erie	0.3	-0.1	0.2	0.04
Grimsby*	0.4	-0.1	0.3	incl. in NR
Lincoln* West	0.3	-0.1	0.2	incl. in NR
Lincoln*	0.2	0.0	0.1	no funding
Wainfleet*	0.1	0.0	0.1	no funding
Total	5.0	-1.0	4.0	6.7

* NRT Phase 3 SRF includes funding for Municipalities who contract On-Demand service through NR