



City of  
**Peterborough**

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**To:** **Members of the Committee of the Whole**

**From:** **Sandra Clancy, Director of Corporate Services**

**Meeting Date:** **May 8, 2017**

**Subject:** **Report CPFS17-019**  
**Public Transit Infrastructure Fund Transfer Price Agreement**  
**and Pre-Commitment of 2018 Capital Funding**

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## **Purpose**

A report to recommend a by-law be passed authorizing the execution of the Public Transit Infrastructure Fund (PTIF) transfer price agreement (TPA) and to recommend pre-commitment of 2018 Capital funding for purchasing new buses under the PTIF program.

## **Recommendations**

That Council approve the recommendations outlined in Report CPFS17-019 dated May 8, 2017, of the Director of Corporate Services, as follows:

- a) That a by-law be passed authorizing the Mayor and Clerk to sign the Public Transit Infrastructure Fund (PTIF) transfer price agreement between Her Majesty the Queen in Right of Ontario as represented by the Minister of Transportation and The Corporation of the City of Peterborough; and
- b) That \$2,425,000 in 2018 capital funding be pre-approved to allow for the purchase of four 40 Foot Low Entry Fully Accessible Urban Diesel Buses.

## **Budget and Financial Implications**

The value of the PTIF funding is \$5,401,393 and was allocated to seven projects through the 2017 Capital Budget as outlined in Table 1.

**Table 1**

**PTIF Funded Projects**

<b>Ref</b>	<b>Project Title</b>	<b>2017 Budget Ref</b>	<b>Total Eligible Project Costs</b>	<b>PTIF Contribution</b>
1	Intelligent Transportation Passenger Information System	5-11.04	700,000.00	100,000.00
2	Transit Buses	5-11.02	5,300,000.00	2,650,000.00
3	Buses for Persons with Disabilities	5-11.03	675,000.00	337,500.00
4	Transit Storage Garage Site Selection Study	5-11.01	900,000.00	450,000.00
5	Public Works Yard Relocation Project	5-8.01	2,000,000.00	1,000,000.00
6	Transit Stop Shelter Upgrades	5-11.05	2,213,600.00	813,893.00
7	Accessible Transit Stop Upgrades	5-11.06	106,200.00	50,000.00
			<b>\$11,894,800.00</b>	<b>\$5,401,393.00</b>

The majority of the projects were funded as part of the 2017 Capital Budget, with the exception of the purchase of new transit buses (Project Reference 5-11.02), which was phased in over the 2017 (\$2,875,000) and 2018 (\$2,425,000) budget years. The pre-approval of \$2,425,000 in 2018 capital funding is recommended to ensure that the City's contribution to the PTIF program is secured at the time the agreement is signed. Proposed funding sources for the 2018 Transit Bus purchases are summarized in Table 2.

The uncommitted balance in the Transit Reserve, after the 2018 Transit Reserve allocation of \$600,000 and the recommended \$600,000 draw will be \$449,824.

**Table 2 – Proposed 2018 Capital Funding Sources**

<b>Funding Source</b>	<b>Total</b>
<b>Total Cost</b>	<b>\$2,425,000</b>
<b>Financing</b>	
Public Transit Infrastructure Fund	\$900,000
Transit Reserve Fund	\$600,000
Tax Supported Debentures	\$925,000
<b>Total Financing</b>	<b>\$2,425,000</b>

## Background

The Government of Canada announced, in its 2016 Budget, the provision of \$11.9 billion in transit infrastructure over five years, which includes funding under a new federal program entitled Public Transit Infrastructure Fund, to upgrade and improve public transit systems. Phase One of the PTIF commits approximately \$3.4 billion across Canada, to be distributed on the basis of transit ridership and up to \$1,486,680,000 for projects to help accelerate short term investments while supporting the rehabilitation of transit systems and fund studies to support longer term transit expansion plans in Ontario. PTIF funding is expected to impact transit ridership and improve the customer experience as follows:

- Improved mobility/accessibility;
- Improved customer safety/security;
- Improved service reliability; and
- Introduction of new technologies.

### Peterborough's PTIF Allocation

On August 29, 2016, the City of Peterborough was advised of its allocation of \$5,401,393 and the opportunity to receive it through an application process. The City's allocation was calculated as the aggregate of:

- i. A base of \$50,000; and
- ii. An amount based on the ratio of total ridership of the potential Recipient, to the sum of total ridership for all potential Recipients.

Under the PTIF, the City was eligible to apply once for funding toward public transit infrastructure project(s). Applications were due on October 18, 2016.

The PTIF provides up to 50% of the total Eligible Project Costs incurred from April 1, 2016 to March 31, 2018. Later, the Ministry advised the applicants they could request that up to 25% of the PTIF allocation be spent between April 1, 2018 and March 31, 2019.

Eligible investment categories include:

- Capital projects for the rehabilitation, optimization and modernization of public transit infrastructure, or that improve the efficiency, accessibility and/or safety of public transit infrastructure (including rehabilitation or enhancement of existing guide ways, maintenance and storage facilities, transit stations or other public transit capital assets; refurbishment or replacement of existing rolling stock; intelligent transportation systems and replacement or enhancement of transit stations);
- Expenditures to support the asset management capacity of a public transit system;

- Expenditures to support the design and planning for the expansion and improvements to public transit systems, including transportation demand management measures and studies and pilot projects related to innovative and transformative technologies; and
- Projects for system expansion, which may include active transportation, if they can be completed within the program timeframe.

The proposed projects had to be incremental. Through the application process, the City attested that, for each of the proposed projects, incrementality has been met by fulfilling one of the following conditions:

- i. The Project would not otherwise have taken place in 2016-17 or 2017-18; and/or
- ii. The Project would not have been undertaken without federal funding.

This included projects contained in the 2016 municipal budget where projects required additional funding to proceed and/or accelerate.

The City was notified on March 31, 2017, that all seven projects were approved for the City's total allocation amount of \$5,401,393. The City must sign and provide to the Ministry a Transfer Price Agreement showing that the City agrees to the terms and conditions of the funding.

### **Pre-commitment of 2018 Capital Funding**

Of the \$5,401,393 in total funding, the City is expected to spend \$4.5 million before March 31, 2018, with the remaining \$900,000 of the PTIF funding to be spent between April 1, 2018 and March 31, 2019.

The City share of the funding for the majority of the projects was approved as part of the 2017 Capital Budget, with the exception of the purchase of new transit buses (Project Reference 5-11.02), which was phased in over the 2017 and 2018 budget years.

The pre-approval of \$2,425,000 in 2018 capital funding is recommended to ensure that the City's contribution to the PTIF program is secured at the time the agreement is signed. Pre-approving the funding now will also allow for an order to be placed with our transit bus supplier in mid to late 2017 to ensure delivery of the new buses in late 2018 or early 2019, before the funding deadline of March 31, 2019. With the number of new bus orders being experienced as a result of the Canada-wide PTIF funding program, delivery timelines are expected to increase as the demand will increase significantly.

### **Project Timing and Reporting**

Of the \$5,401,393 funding, the City is expected to spend \$4.5 million before March 31, 2018. The remaining \$900,000 will be spent on conventional transit buses between April 1, 2018 and March 31, 2019. Annual reporting including Progress Reports, Outcomes Reports and Request for Payment forms will be submitted semi-annually with a Final Report being submitted with a request for Final Payment.

## Summary

In signing the Agreement, the City agrees to abide by the terms and conditions which include semi-annual reporting. The first requirement is passing a by-law to authorize the Mayor and Clerk to sign the Transfer Price Agreement to allow the flow of PTIF funds. Pre-committing 2018 Capital funds will provide assurance that the City's contribution to the program is in place and will allow for timely ordering of the final installment of new buses to ensure delivery prior to the funding deadline. The PTIF funds will assist the City of Peterborough in improving transit ridership and the customer experience.

Submitted by,

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