



## **The Regional Municipality of Durham**

### **Finance & Administration Committee Agenda**

Council Chambers  
Regional Headquarters Building  
605 Rossland Road East, Whitby

**Tuesday, October 13, 2020**

**9:30 AM**

Please note: In an effort to help mitigate the spread of COVID-19, and to generally comply with the directions from the Government of Ontario, it is requested in the strongest terms that Members participate in the meeting electronically. Regional Headquarters is closed to the public, all members of the public may [view the Committee meeting](#) via live streaming, instead of attending the meeting in person. If you wish to register as a delegate regarding an agenda item, you may register in advance of the meeting by noon on the day prior to the meeting by emailing [delegations@durham.ca](mailto:delegations@durham.ca) and will be provided with the details to delegate electronically.

**1. Roll Call**

**2. Declarations of Interest**

**3. Adoption of Minutes**

- A) Finance & Administration Committee meeting –  
September 15, 2020

Pages 4 - 12

**4. Statutory Public Meetings**

There are no statutory public meetings

**5. Delegations**

There are no delegations

**6. Presentations**

There are no presentations

## **7. Administration**

### **7.1 Correspondence**

### **7.2 Reports**

- A) Appointment of New Members to the Durham Accessibility Advisory Committee (AAC) (2020-A-20) 13 - 15

## **8. Finance**

### **8.1 Correspondence**

- A) Information Report #2020-INFO-86: The Consolidation Budget Status Report to July 31, 2020 and Full Year Forecast 16 - 27

#### **Pulled from September 25, 2020 Council Information Package by Councillor Joe Neal**

Recommendation: Receive for information

### **8.2 Reports**

- A) Investing in Canada Infrastructure Program – Public Transit Stream Funding Update (2020-F-19) 28 - 39
- B) Authorization to Secure Funding Under the Provincial Municipal Transit Enhanced Cleaning (MTEC) Program and the Federal-Provincial Safe Restart Funding Program (2020-F-20) 40 - 43

## **9. Advisory Committee Resolutions**

### **9.1 Durham Region Roundtable on Climate Change**

- A) Request for an Annual Progress Report from the Conservation Authorities re: Climate Change Action 44

Recommendation: Approval and subsequent recommendation to Regional Council

## **10. Confidential Matters**

There are no confidential matters to be considered

**11. Other Business**

**12. Date of Next Meeting**

Tuesday, November 10, 2020 at 9:30 AM

**13. Adjournment**

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Written information (either paper or electronic) that you send to Durham Regional Council or Committees, including home address, phone numbers and email addresses, will become part of the public record. This also includes oral submissions at meetings. If you have any questions about the collection of information, please contact the Regional Clerk/Director of Legislative Services.

**The Regional Municipality of Durham**

**MINUTES**

**FINANCE & ADMINISTRATION COMMITTEE**

**Tuesday, September 15, 2020**

A regular meeting of the Finance & Administration Committee was held on Tuesday, September 15, 2020 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:30 AM. Electronic participation was offered for this meeting.

**1. Roll Call**

Present: Councillor Foster, Chair  
Councillor Collier, Vice-Chair  
Councillor Ashe  
Councillor Drew  
Councillor Leahy attended the meeting at 9:41 AM  
Councillor Mulcahy  
Regional Chair Henry  
**\*all members of Committee, except Councillor Foster and Regional Chair Henry, participated electronically**

Also

Present: Councillor Highet  
Councillor Joe Neal  
Councillor Wotten

Absent: Councillor Nicholson

Staff

Present: E. Baxter-Trahair, Chief Administrative Officer  
D. Beaton, Commissioner of Corporate Services  
N. Taylor, Commissioner of Finance  
J. Hunt, Director, Legal Services, Corporate Services – Legal  
R. Inacio, Systems Support Specialist, Corporate Services - IT  
N. Pincombe, Director of Business Planning, Budgets and Risk Management  
R. Walton, Regional Clerk/Director of Legislative Services, attended for part of the meeting  
T. Fraser, Committee Clerk, Corporate Services – Legislative Services  
L. Fleury, Legislative Officer and Deputy Clerk Pro Tem, Corporate Services – Legislative Services

**2. Declarations of Interest**

There were no declarations of interest.

**3. Adoption of Minutes**

Moved by Councillor Collier, Seconded by Councillor Ashe,  
(65) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, July 14, 2020, be adopted.

CARRIED

**4. Statutory Public Meetings**

There were no statutory public meetings.

**5. Delegations**

**5.1 Mike Walters, CAO, Lake Simcoe Region Conservation Authority re: 2020 Budget Companion Document**

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Mike Walters, participating electronically, appeared before the Committee with respect to the 2020 Budget Companion Document for Lake Simcoe Region Conservation Authority. A copy of his presentation was distributed electronically to the Committee.

Highlights of his presentation included:

- Budget Companion 2020
  - Produced annually to provide more detail regarding the approved budget,
  - Outlines all LSRCA Services Areas and programs
  - Easy to navigate, read and is transparent
  - General overview of the budget summarizing all of the 7 service areas
  - Each service area is then discussed in detail
  - Reviews the specific programs comprising each service area
  - Highlights past achievements – focuses on the year ahead
- Annual Operating Priorities (AOPs)
  - AOP's necessary to implement Strategic Plan,
  - Other AOP items based on external opportunities or pressures,
  - AOP's can span years
- Proposed AOP Activities for 2020:
  - Floodplain Emergency Mapping/Flood Relief Program
  - Climate Change Adaptation and Mitigation Strategies
  - Asset Management Plan
  - Enhance service delivery – Plan Review and Regulation
  - Scanlon Creek Operations Centre

- Fundraising for Education Centre
- Community Engagement Strategy
- Lead salt reduction strategies
- Land Disposition Policies & Strategy
- Continue restoration efforts
- Implementing the Lake Simcoe Protection Plan (LSPP)
- Draft 2021-2026 Strategic Plan

Moved by Regional Chair Henry, Seconded by Councillor Ashe,  
(66) That Mike Walters be granted a one-time two minute extension to finish his delegation.

CARRIED

- Our Path Ahead Remains Clear
  - Improve water quality & quantity
  - Increase our natural heritage systems
  - Make communities safer, healthier, and more connected to the natural environment
  - Engage our communities to achieve a balance between social, economic and ecological needs
  - Achieve success through partnerships, innovation and engagement
  - Monitor & report our progress to our partners and the community

Councillor Drew noted that Mike Walters will be retiring at the end of this year after 36 years with the Lake Simcoe Region Conservation Authority. She added that he is a world-wide leader in conservation and the efforts in keeping our waterways and our environment safe; and on behalf of the Committee and the Region wished him a happy and healthy retirement.

## **6. Presentations**

### **6.1 Nancy Taylor, Commissioner of Finance and Nicole Pincombe, Director of Business Planning, Budgets and Risk Management re: 2021 Regional Business Plans and Property Tax Supported Budget Guideline (2020-F-17)**

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E. Baxter-Trahair, CAO, provided introductory remarks. She noted that the 2021 budget guideline was developed in consultation with all Regional departments, Durham Regional Police Service (DRPS) and Durham Region Transit (DRT), and through detailed review of 2021 to 2025 operating pressures and 2021 to 2030 capital priorities. She added that the risks and uncertainties facing the Region, including the COVID-19 pandemic, were also taken into consideration. She thanked staff for their hard work in developing the guideline.

N. Taylor, Commissioner of Finance and N. Pincombe, Director of Business Planning, Budgets and Risk Management, provided a PowerPoint presentation

regarding the 2021 Regional Business Plans and Property Tax Supported Budget Guideline. N. Taylor advised that the recommended Budget Guideline for 2021 is 2%. Highlights of their presentation included:

- 2021 Regional Business Plans and Property Tax Supported Budget Guideline
  - Purpose and Use of Guideline
  - Economic Overview – Indicators
  - Development Charges and Assessment Growth
  - 2021 Budget Priorities
  - 2021 Projected Base Budget Pressures
  - 2021 Preliminary Provincial Funding Impacts
  - 2021 Estimated COVID-19 Impacts
  - Potential 2021 Strategic Investments
    - Economic Prosperity
    - Environmental Sustainability
    - Social Investments
    - Community Vitality
    - Service Excellence
  - Proposed 2021 Property Tax Guideline and Next Steps
- Update on the Business Planning and Budget Review and Modernization Project
  - Project Overview
  - Review of the Current Budget Document
    - Narrative
    - Financial Schedules
    - Capital Schedules
  - Overview of a Draft 2021 Budget Document
- 2021 Business Plans and Budget – Preliminary Key Dates

Moved by Regional Chair Henry, Seconded by Councillor Collier,  
(67) That the order of the agenda be altered to consider Item 8.2 A) Report  
#2020-F-17 at this time.

CARRIED

## 8.2 Reports

### A) 2021 Regional Business Plans and Property Tax Supported Budget Guideline (2020-F-17)

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Report #2020-F-17 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to clarification on what the 2021 increase of 3% for DRPS encompasses; what type of dialogue occurred with the DRPSB when developing the budget guideline; whether there are opportunities to lower the guideline; what staffing requests have been made for 2021; the status

of the 2020 budget; which pre-budget studies have been conducted; projected development charge revenue; and budgeting for one-time items.

Staff advised that a full update on the 2020 budget status will be provided in October.

Moved by Regional Chair Henry, Seconded by Councillor Collier,  
(68) That we recommend to Council:

- A) That the following detailed direction and guidelines for the 2021 Business Plans and Budgets for the Durham Regional Police Services Board, Conservation Authorities, Regional Operations and other Outside Agencies be approved:
  - i. The 2021 Property Tax Guideline not exceed an overall tax impact of 2.0 per cent compared to the 2020 approved budget;
  - ii. The 2021 Business Plans and Budget for the Durham Regional Police Services Board not exceed \$221.16 million, an increase of approximately 3.0 per cent compared to the 2020 approved budget; and
  - iii. The 2021 Operating Budget for each Conservation Authority not exceed an increase of 2.5 per cent, plus or minus any current value assessment adjustments, and the 2021 Special Benefitting Programs Budget for each Conversation Authority not exceed an increase of 1.5 per cent, plus or minus any current value assessment adjustments, compared to the 2020 approved budget;
- B) That the preliminary timetable for the 2021 Regional Business Plans and Budgets be approved, as outlined in Attachment #2 to Report #2020-F-17 of the Commissioner of Finance, which includes the following key dates:
  - i. December 16, 2020 – final Regional Council approval of the 2021 Water Supply and Sanitary Sewerage Business Plans and Budgets;
  - ii. January 27, 2021 – final Regional Council approval of all 2021 Property Tax Supported Business Plans and Budgets; and
- C) That a copy of Report #2020-F-17 be forwarded to the Durham Regional Police Services Board, Durham Region Transit Commission, Conservation Authorities, Durham Regional Local Housing Corporation and other Outside Agencies to guide the development of detailed 2021 Business Plans and Budgets.

CARRIED

Moved by Regional Chair Henry, Seconded by Councillor Leahy,  
(69) That the Committee recess for 10 minutes.



CARRIED

The Committee recessed at 10:59 AM and reconvened at 11:10 AM.

**7. Administration**

**7.1 Correspondence**

There were no communications to consider.

**7.2 Reports**

**A) The Regional Municipality of Durham's 2019 Accessibility Report (2020-A-17)**

Report #2020-A-17 from E. Baxter-Trahair, Chief Administrative Officer, was received.

Moved by Councillor Leahy, Seconded by Regional Chair Henry,  
(70) That we recommend to Council:

That the Regional Municipality of Durham's 2019 Accessibility Report be adopted.  
CARRIED

**B) Fee for Providing Regional Records and Documents (2020-A-18)**

Report #2020-A-18 from D. Beaton, Commissioner of Corporate Services, was received.

Moved by Councillor Drew, Seconded by Councillor Leahy,  
(71) That we recommend to Council:

That a by-law establishing rates to be charged by the Regional Clerk for providing copies of documents or Regional records under the Region's custody or control, as generally set out in the form included as Attachment #1 to Report #2020-A-18 of the Commissioner of Corporate Services, be adopted.  
CARRIED

**8. Finance**

**8.1 Correspondence**

There were no communications to consider.

**8.2 Reports**

**A) 2021 Regional Business Plans and Property Tax Supported Budget Guideline (2020-F-17)**

This Item was considered earlier in the meeting. [See Item 8.2 A) on pages 4 and 5]

B) The Issuance of Debentures on Behalf of the City of Pickering, Town of Whitby, Municipality of Clarington, Township of Brock, Township of Uxbridge, and The Regional Municipality of Durham (2020-F-18)

Report #2020-F-18 from N. Taylor, Commissioner of Finance, was received.

Moved by Councillor Leahy, Seconded by Regional Chair Henry,  
(72) That we recommend to Council:

- A) That the Commissioner of Finance be authorized to issue external debentures, in a total principal amount not to exceed \$87,186,000 on behalf of the City of Pickering, the Town of Whitby (subject to the approval of Whitby Council), the Municipality of Clarington (subject to the approval of Clarington Council), the Township of Uxbridge, and The Regional Municipality of Durham over various terms, as set out below, with such terms not to exceed 20 years and at an average net yield not to exceed 5.00 per cent relating to the financing requirements as indicated below:

|  | <u>Amount</u><br>(Not to Exceed) | <u>Term</u><br>(Not to Exceed) |
|--|----------------------------------|--------------------------------|
| <b><u>City of Pickering</u></b>  |                                  |                                |
| Purchase of land for Seaton North Fire Station   | <u>\$1,856,000</u>               | 10 Years                       |
| <b><u>Town of Whitby</u></b>   |                                  |                                |
| 400 Centre Street South – former Land Registry Office – interior and exterior renovations  | \$1,720,000                      | 20 Years*                      |
| Land Acquisition for a future fire hall, training complex and Public Works satellite facility on Cochrane Street, North of 407, Part Lot 29, Concession 6, Part 1, 40R-26098 | 4,895,000                        | 20 Years*                      |
| Operations Centre Expansion – 333 McKinney Drive   | 7,095,000                        | 20 Years*                      |
| Replacement of Pier #4, Port Whitby Marina, 301 Watson Street  | <u>540,000</u>                   | 20 Years*                      |
| Sub Total – Town of Whitby   | <u>\$14,250,000</u>              |                                |
| <b><u>Municipality of Clarington</u></b>   |                                  |                                |
| New – South Bowmanville Recreation Centre  | <u>\$50,000,000</u>              | 20 Years**                     |
| <b><u>Township of Uxbridge</u></b>   |                                  |                                |
| Brock Street Culvert Replacement Project   | <u>\$3,500,000</u>               | 15 Years                       |
| <b><u>The Regional Municipality of Durham</u></b>  |                                  |                                |
| Newcastle Water Supply Plant   | <u>\$17,580,000</u>              | 15 Years                       |
| <b>TOTAL EXTERNAL DEBENTURE REQUIREMENTS</b>   | <b><u>\$87,186,000</u></b>       |                                |

\* subject to the approval of Whitby Council on Monday September 14, 2020.

\*\* subject to the approval of Clarington Council on Monday September 21, 2020.

- B) That authorization be given to issue an internal debenture for and on behalf of the Township of Brock in an amount of \$932,000 (the "Brock Debenture") on the basis that the Township of Brock will purchase the Brock Debenture using reserve funds of the Township of Brock as requested by the Township;
- C) That authorization be given to the Commissioner of Finance to purchase a portion of the external debentures issued in respect of the Newcastle Water Supply Plant in an amount up to \$17,580,000, using the Region's reserve funds as determined by the Commissioner of Finance;
- D) That the Commissioner of Finance be authorized to amend the proposed terms and conditions of the external debenture issue as deemed necessary by the Fiscal Agents in order to successfully market the issue to prospective investors on the basis that the Region may purchase all or part of the debentures; and
- E) That the Region of Durham be authorized to issue the external debentures through CDS Clearing and Depository Services Inc.'s "Book Entry Only" system.

CARRIED

**9. Advisory Committee Resolutions**

There were no advisory committee resolutions to be considered.

**10. Confidential Matters**

There were no confidential matters to be considered.

**11. Other Business**

There was no other business to be considered.

**12. Date of Next Meeting**

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, October 13, 2020 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

**13. Adjournment**

Moved by Regional Chair Henry, Seconded by Councillor Leahy,  
(73) That the meeting be adjourned.

CARRIED

The meeting adjourned at 11:15 AM.

Respectfully submitted,

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A. Foster, Chair

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L. Fleury, Legislative Officer



# The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Chief Administrative Officer  
Report: #2020-A-20  
Date: October 13, 2020

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**Subject:**

Appointment of new members to the Durham Accessibility Advisory Committee (AAC)

**Recommendation:**

That the Finance and Administration Committee recommends to Regional Council:

That the following people be appointed to the Durham Accessibility Advisory Committee:

Ms. Aly Beach – Community member;

Ms. Heather Hall – Agency member;

Ms. Meagan Peters – Agency member.

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**Report:**

**1. Purpose**

- 1.1 The Accessibility Advisory Committee's (AAC) Terms of Reference allow for an eleven-member committee. The purpose of this report is to facilitate appointments for the positions of community member as well as appoint two new agency members.

**2. Background**

- 2.1 Under the Ontarians with Disabilities Act, 2001 (ODA), Durham Region was obligated to form an Accessibility Advisory Committee (AAC). A second piece of legislation, Accessibility for Ontarians with Disabilities Act, 2005, (AODA) was proclaimed in 2005. However, the first Act was not repealed, and therefore, Durham must comply with both pieces of legislation. The requirement to have an AAC is still in effect.

### **3. Appointment of new members**

- 3.1 The application process for the current nominees was the same as that for the original committee. After completing an application form an interview was held with each one. The selection criteria used to determine suitability to serve on the committee are:
- a. Knowledge of disability issues
  - b. Experience with committees, volunteerism, community work
  - c. Excellent communication skills
  - d. Team building and collaboration skills
  - e. Demonstrated commitment to projects/teams
  - f. Ability to build trust and relationships.
- 3.2 Every effort is made to ensure that there is representation from a variety of disabilities and from different professional bodies.

The term of membership will correspond with the term of Regional Council and if a member resigns the Region will seek a replacement in accordance with the Terms of Reference.

Following Council's appointment of the membership, the first AAC meeting will be held on November 24, 2020.

### **4. Community Member Appointment**

- 4.1 Ms. Aly Beach is a resident of Oshawa. She is a graduate of Durham College's Journalism program and is currently enrolled in Ontario Tech University's Communications and Digital Media Advanced Entry program. Her passion for accessibility has prompted her to gain knowledge and experience to write about barriers in our community. She studied the Accessibility for Ontarians with Disabilities Act (AODA), Universal Design and the issues of people with disabilities, through various research projects. In the past few years she has been a communications volunteer at Durham Deaf Services.
- 4.2 Ms. Beach meets the eligibility criteria for membership in accordance with the AAC Terms of Reference.

### **5. Agency Member Appointments**

- 5.1 Ms. Heather Hall is a resident of Oshawa. Her education and professional experience have been focused on assisting those in our community with disabilities. She has been working at Participation House Durham for the past ten years, where she is a strong advocate and supporter of people with developmental disabilities as they interact with and in their Durham community. She has had the opportunity to observe the challenges that these individuals often face and influence change that has helped to build community capacity.

- 5.2 Ms. Hall meets the eligibility criteria for membership in accordance with the AAC Terms of Reference.
- 5.3 Ms. Meagan Peters is a resident of Clarington. Her education and professional experience have been focused on education of staff and students/clients in her numerous positions. Currently she works as an Employment Coordinator at The Canadian Council on Rehabilitation and Work (CCRW), Durham Region. CCRW provides leadership in programs and services for job seekers with disabilities and businesses committed to equity and inclusion. She has worked in the disability services field for over ten years.
- 5.4 Ms. Peters meets the eligibility criteria for membership in accordance with the AAC Terms of Reference.
- 6. Conclusion**
- 6.1 It is recommended that Ms. Aly Beach be appointed as community member and Ms. Heather Hall and Ms. Meagan Peters as agency members on the AAC.
- 6.2 For additional information, contact Sandra Austin, Director, Strategic Initiatives, CAO's Office at 905-668-7711 extension 2449.

Recommended for Presentation to Committee

**Original signed by**

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Elaine C. Baxter-Trahair  
Chief Administrative Officer



## The Regional Municipality of Durham Information Report

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From: Commissioner of Finance  
Report: #2020-INFO-86  
Date: September 25, 2020

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**Subject:**

The Consolidated Budget Status Report to July 31, 2020 and Full Year Forecast

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**Recommendation:**

Receive for information

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**Report:**

**1. Purpose**

- 1.1 The following summary on the status of the 2020 Consolidated Budget and Full Year Forecast for the General Tax Operations, Water Supply, and Sanitary Sewer Systems is based upon information supplied by the Regional Departments, a review of the financial statements to July 31, 2020 and preliminary information forecast to the end of the year.

**2. Budget Status Summary - General Tax Operations**

- 2.1 A deficit is forecast for the General Tax Operations 2020, as indicated in the following table. This deficit position is prior to the application of the general Safe Restart Funding that is being provided by senior levels of government.

| <b>General Tax Operations</b>            | <b><u>Surplus/(Deficit)</u></b> |
|--|---------------------------------|
| <b>Department / Division</b>             | <b>\$</b>                       |
| Social Services Department:              |                                 |
| Long-Term Care & Services for Seniors    | (4,000,000)                     |
| Income and Employment Support            | 250,000                         |
| Emergency Management and Program Support | (100,000)                       |
| Children's Services Program              | (6,800,000)                     |
| Dedicated COVID funding                  | 6,800,000                       |
| Housing Services                         | <u>100,000</u>                  |
| Total Social Services Department         | <u>(3,750,000)</u>              |



## Health Department:

|                                     |                    |
|-------------------------------------|--------------------|
| Public Health Programs              | (3,500,000)        |
| Region of Durham Paramedic Services | <u>700,000</u>     |
| Total Health Department             | <u>(2,800,000)</u> |

## Works Department:

|                        |                  |
|------------------------|------------------|
| General Tax            | 1,200,000        |
| Solid Waste Management | <u>1,130,000</u> |
| Total Works Department | <u>2,330,000</u> |

|  |         |
|--|---------|
| Planning and Economic Development Department | 450,000 |
|--|---------|

|                               |             |
|-------------------------------|-------------|
| Corporate Services Department | (3,500,000) |
|-------------------------------|-------------|

|                             |         |
|-----------------------------|---------|
| Chief Administrative Office | 450,000 |
|-----------------------------|---------|

|                    |           |
|--------------------|-----------|
| Finance Department | 1,000,000 |
|--------------------|-----------|

|                                  |             |
|----------------------------------|-------------|
| Community and Affordable Housing | (1,000,000) |
|----------------------------------|-------------|

|                   |                    |
|-------------------|--------------------|
| Other Initiatives | <u>(6,400,000)</u> |
|-------------------|--------------------|

|                                      |                            |
|--------------------------------------|----------------------------|
| <b>Overall General Tax - Deficit</b> | <b><u>(13,220,000)</u></b> |
|--------------------------------------|----------------------------|

### 3. General Tax Operations

#### 3.1 Social Services Department

- The Long-Term Care and Services for Seniors Division advises that a deficit position of approximately \$4.0 million is still expected for the year, attributable to the impacts of COVID-19 pandemic and the actions undertaken in keeping residents and staff healthy and safe. Factors contributing to this position are:
  - Increased staffing costs represent a significant component of the deficit for the Homes, specifically for temporary staff and overtime costs that are expected to exceed budget by approximately \$5.4 million. Approximately 300 additional temporary employees were hired to support increased screening measures and other tasks, and to ensure Ministry requirements for resident care and strict service levels were maintained when staff were absent due to staff vacancies, training, illness or injury.
  - Expenses for cleaning materials and supplies, medical supplies, personal protective equipment, and infection control costs are higher than budget, due to combatting the COVID-19 virus, by an estimated amount of \$1.4 million.
  - These costs are partially offset by lower building maintenance, utility and communication costs across all four homes estimated at \$700,000.
  - The Province has also changed its methodology of calculating per diem subsidies. The Province will now issue an overall funding adjustment rather

than adjust the existing rates for the four per diem envelopes. The 2020 adjustment is anticipated to provide an additional \$620,000 in per diem revenue that was not known at the time of the budget approval.

- Preferred accommodation revenue from the Homes is trending to budgeted expectations; however, as discharges increase and beds remain unfilled, a decrease in the number of occupied beds for which the preferred rate applies may be expected. The magnitude of the vacancy impact on preferred accommodation revenue is unknown at this time.
- Payments to front line workers for the Province's Temporary Pandemic Pay (TPP) program are in progress and these payments will be offset by a dedicated Provincial subsidy.
- A deficit in client fees is anticipated in the Adult Day Program of \$80,000 due to the COVID-19 program curtailment.
- It is important to note that in mid-April 2020, the Province has implemented an Enhanced COVID-19 Action Plan for Long Term Care facilities which includes more testing, strengthened infection prevention control measures and training, a steady supply of personal protection equipment, and added staff. Additional provincial funding related to COVID prevention and containment in the amount of approximately \$1.5 million is anticipated.
- The Long-Term Care and Services for Seniors Division continues to review all discretionary expenditures, as well as prioritization of capital expenditures, to mitigate the anticipated deficit position.
- The Family Services Division reports that client revenue in the Employee Assistance program is below budget due to the pandemic. However, the revenue shortfall is offset by savings in operational expenditures, resulting in an overall break-even position.
- The Income and Employment Support Division is projecting a surplus of \$250,000 for the year.
- The Income Support caseload has decreased during the pandemic, with the average monthly caseload decreasing by over 10% since the beginning of the year. However, as the federal government's Canada Emergency Response Benefit (CERB) is wound down, it is expected caseload could increase soon thereafter.
- The Province has indicated that the Emergency Benefit expenditures, a component of the discretionary benefits program, would be subject to a special funding cap; however, details related to the special cap and the related impact on spending have yet to be released and the impact on the discretionary program is not known.

- At this time, based on the expenditures to date, recent caseload trends, and the provincial cap uncertainty, a break-even position in the discretionary program is currently projected for the year. Caseloads and costs will continue to be monitored closely over the remainder of the year.
- The Ontario Works (OW) Program Delivery budget is projected to be in a surplus position for the year. Though client-related expenditures in the OW Employment Support accounts are still anticipated to be higher than planned, as a result of the impact of COVID-19, year to date spending has decreased significantly compared to the trend in prior years. However, targeted expense reductions in personnel costs and other expense categories in the Administration section of the program are expected to more than offset this over expenditure at year end. As a result, a surplus of \$250,000 is currently anticipated for the year.
- The operations of the Emergency Management and Program Support Services sections are expected to be in a deficit position of approximately \$100,000 at year end. This is due mainly to the purchase of Personal Protective Equipment (PPE), supplies, and increased staff overtime in response to COVID-19, partially offset by staff vacancies and savings in Program Support Services.
- The Children's Services Division provided emergency 24/7 child care to eligible health care and front line workers, at no cost to the parents during the COVID-19 pandemic while experiencing significant cost pressures, such as loss of parent fees, overtime, purchase of PPE for staff, and enhanced cleaning and janitorial services. On August 14, 2020, the Ministry of Education Early Years and Child Care Division announced new Federal Safe Start Funding (SFR), which is aimed at providing funding relief for costs that are unique to a COVID-19 environment. The Region of Durham share of this funding is \$6.8 million, which will enable the Children's Services Division to report a break-even position for the year.
- The Housing Services Division reports that expenditures continue to track slightly below budgeted expectations due to the timing in filling staff vacancies, with a projected surplus of \$100,000.
- Expenditures on the Consolidated Homelessness Prevention Initiative are currently proceeding as planned.
- Provincial Social Service Relief Funding of \$6.4 million, (\$2.8 million Phase 1 operational expenditures, and \$3.6 million Phase 2 for both operational and capital expenditures) has been allocated for COVID-19 response. At this time, it is anticipated that the funding will be utilized to offset related COVID-19 costs in supporting the community.

- Payments to front line workers via the Province's Temporary Pandemic Pay (TPP) program are in progress and these payments will be offset by a dedicated Provincial subsidy.
- Overall, a deficit position of \$3,750,000 is projected for the Social Services Department for the year, after the application of dedicated COVID relief funding.

### 3.2 Health Department

- Public Health is reporting a deficit of approximately \$3.5 million. The deficit is primarily related to the departmental response to COVID-19, with increased staffing and operational costs. A total of 364 staff members have been identified as responding to the COVID-19 pandemic in areas such as case management, outbreak response in long-term care homes, retirement homes and other congregate living settings, response to general public COVID-19 inquiries, support to case and contact management activities and overall management support of these activities. Temporary pandemic pay costs incurred will be offset by a dedicated Provincial subsidy.
- The Region of Durham Paramedic Services division (RDPS) is reporting an estimated surplus of approximately \$700,000, as outlined below.
  - Payroll costs have exceeded budget by approximately \$700,000 primarily in overtime and staffing backfill due to COVID-19 and Workplace Safety Insurance costs.
  - Savings of \$700,000 are anticipated in training costs, conferences, part time benefits savings, and a deferral of 12 new hires approved in the 2020 budget.
  - Payments to front line workers via the Province's Temporary Pandemic Pay (TPP) program are in progress and these payments will be offset by a dedicated Provincial subsidy.
  - Expenditures related to the purchase of PPE and other equipment required to address COVID-19 is anticipated to add \$600,000 to budgeted costs.
  - Decreased community call volumes for the first wave of the pandemic and favourable fuel pricing, and funding received on trade in of retired vehicles are anticipated to provide savings of \$300,000.
  - The 2020 provincial subsidies for RDPS have been confirmed by the Province and will exceed budgeted estimates by \$1.0 million.
- The net result for the Health Department is a projected deficit of \$2.8 million for 2020.

### 3.3 Works Department

- The Works Department reports that as of the end of July overall revenue and expenditures for the Transportation and other General Tax programs are projected to be in a surplus position of approximately \$1,200,000 for the year. Factors contributing to this position are:
  - The Winter Maintenance program is anticipated to meet budgeted expectations primarily due to a milder winter season in 2020. While the final status of the winter maintenance budget will be dependent upon storm events in the last few weeks of the year, a break-even position is anticipated at this time.
  - The Roadside Maintenance program is projected to exceed budget by approximately \$200,000.
  - In an effort to offset the corporate impact of the pandemic, targeted savings of \$1 million are anticipated by actions such as the deferral of hiring vacant positions and forgoing technical training. In addition, a review of capital items had indicated savings of \$400,000 for 2020 can be obtained.
- The Solid Waste Management Division is projecting a \$1,130,000 surplus position for 2020 based on the following factors:
  - The Resource Productivity and Recovery Authority has indicated that funding provided for the 2020 blue box operations will increase by approximately \$980,000, whereas the budget had anticipated no increase.
  - The COVID-19 pandemic has resulted in a downward pressure on market prices for recycled materials, particularly aluminum, plastics and steel. As a result, a deficit from blue box revenues of approximately \$250,000 is being forecast at this time.
  - Waste tonnages have been higher in the early part of the year, as curbside garbage limits were lifted. As well, higher waste tonnages have been received at the Region's waste management facilities. The estimated additional collection and transfer costs of the increased tonnages is \$1.0 million. The increased tonnages will also impact the waste processing fees with an estimated net impact of \$800,000. Overall a cost increase of \$1.8 million is anticipated due to these increased waste tonnages.
  - A review of operational activities, including deferral of hiring, operational projects and deferral of capital items are anticipated to provide savings of \$2.2 million.

### 3.4 Planning and Economic Development Department

- The Planning division has realized savings of \$500,000 from vacancies in the department, the deferral of hiring due to COVID-19, and associated personnel related program savings.
- Planning revenues have been impacted by the pandemic-related slowdown in the economy and are trending below budget by an estimated \$100,000.
- The Economic Development and Tourism division has realized savings of \$200,000 in staff and related program costs from vacancies. The division has pivoted their programs to focus on assistance to businesses to recover from COVID-19 impacts and additional costs of \$150,000 are anticipated for the Digital Main Street program to assist businesses to expand their digital presence.
- At this time a surplus of approximately \$450,000 is projected for the Planning and Economic Development Department.

### 3.5 Corporate Services Department

- The Information Technology division is anticipating savings estimated at \$100,000 due to vacancies and hiring deferrals.
- Human Resources reports there are variances in their payroll costs due to timing of filling vacancies and deferral of hiring new positions, for an estimated savings of \$200,000 and an additional \$300,000 savings from the targeted deferral of related non-departmental programs as offset to the corporate impact of the pandemic.
- Legislative Services reports there will be savings of approximately \$100,000 due to the timing of filling vacant positions and deferral of hiring new 2020 budgeted positions, with an additional \$100,000 in savings due to the deferral of non-departmental programs.
- Legal Services is anticipating savings of approximately \$100,000 due to vacancies during the year.
- A deficit of \$4.4 million is forecast for Provincial Offences program. POA charges filed during the pandemic have dropped significantly and a fine revenue shortfall of \$5.0 million is expected. Savings in the Court Services and Collections programs are anticipated due to the closure of courts and the corresponding decrease in related Provincial fees, as well as staff savings. Overall savings are estimated to be approximately \$600,000 only partially offset the drop in fine revenue.
- Overall, a deficit of \$3,500,000 is expected for the Corporate Services Department.

### 3.6 Chief Administrative Officer

- The CAO department anticipates savings of approximately \$200,000 due to the timing of filling vacancies, in addition to targeted operational savings of \$250,000 as an effort to offset the corporate impact of the pandemic. Overall savings of \$450,000 are anticipated.

### 3.7 Finance Department

- The Finance Department is projecting a surplus of approximately \$1 million for the year primarily attributable to staff turnover and the time required to fill vacant positions, deferral of new 2020 budget positions, as well as targeted operational savings to offset the corporate impact of the pandemic.

### 3.8 Police Services Board

- As of July 31, 2020, the Police Service is forecasting year end results to be close to budgeted level. Savings from salary expenses due to position vacancies related to leaves and retirements will be fully offset by higher legal and hiring costs, COVID-19 related costs such as PPE and lost revenue from provision of pay duty services.

### 3.9 Community and Affordable Housing Programs

- Payments to external social housing providers, a portion of the Community Housing Program budget, are presently tracking approximately \$1,000,000 under budget due to lower than anticipated Rent Geared to Income subsidies, benchmarked operating costs, and property taxes.
- The Durham Regional Local Housing Corporation (DRLHC), the Region's own housing provider, is projecting approximately \$2,000,000 in cost overages for the year, primarily from winter grounds maintenance and building maintenance and repair, including approximately \$33,000 related to additional cleaning and PPE for COVID-19 response. These year-to-date operating costs are trending higher than budget and are close to the prior year actuals, which also resulted in a deficit.
- Overall, it is anticipated that the surplus in payments to external social housing providers and projected deficit in the DRLHC budget will result in a \$1,000,000 deficit position in the Community and Affordable Housing Program for 2020.

### 3.10 Durham Region Transit

- As of July 31, it is projected that Durham Region Transit will experience a \$6.0 million operating deficit position for 2020. During the course of the COVID pandemic, DRT has implemented a number of service modifications to adjust to ridership demands, postponed services changes, enhanced bus cleaning and maintenance, eliminated fare payment for a period of time and introduced

a number of initiatives to bring riders back to transit. These changes have led to a financial impact highlighted below.

- A deficit in fare revenue of approximately \$15.75 million is anticipated for 2020. The reduced ridership and the suspension of fare collection in the second quarter and the suspension of the UPASS for summer and fall terms have resulted in a substantial revenue shortfall. While fare collection resumed in the third quarter, ridership recovery will take time. Assuming ridership returns to 50 per cent of budgeted levels for the remainder of the year, a \$15.75 million deficit is anticipated.
- Service adjustments and COVID response have produced savings and additional expenditures:

| Expenditure Impacts                                       | Savings/(Deficit)<br>\$ |
|---|-------------------------|
| Reduction in staffing costs                               | 4,000,000               |
| Fuel savings  | 2,700,000               |
| Specialized/North services                                | 1,200,000               |
| Additional cleaning /protection measures – COVID response | (1,000,000)             |
| Reduction in Go Local fare costs                          | 200,000                 |
| Savings in commission                                     | 600,000                 |
| Targeted miscellaneous deficit reduction measures         | <u>2,050,000</u>        |
|   | <u>9,750,000</u>        |

- The net position for DRT from the revenue deficit and expenditure impacts is an approximate \$6 million deficit.
- As part of the federal-provincial Safe Restart Agreement, DRT will receive funding in the amount of \$8,405,396 as reimbursement for the financial pressures associated with the need to continue to operate with reduced revenue and the new expenses resulting from COVID-19. This includes reduced farebox revenue and new expenses, such as labour costs, additional cleaning costs, driver and passenger protection and other capital costs. This funding is in addition to the \$365,000 Municipal Transit Enhanced Cleaning (MTEC) provincial funding for dedicated cleaning that has been factored into the \$6 million deficit noted above. The Safe Restart funding will allow DRT to reinstate some of the targeted deficit reduction spending and undertake projects to rebuild and attract ridership. Consequently, a breakeven position is forecast for DRT.



- The investment of \$83 million in senior government funding, in conjunction with municipal funding of \$43.2 million, for 11 capital projects that will modernize and improve public transit was recently announced. These projects include replacement of conventional buses with new hybrid electric vehicles and replacement of buses that have reached the end of their lifecycle, as well as continued construction of the Bus Rapid Transit (BRT) lanes with active transportation corridors. Reports pertaining to the Investment in Canada Infrastructure Program (ICIP) are forthcoming to Council in October.

### 3.11 Other Initiatives

The following initiatives have been approved in 2020 subsequent to the budget approval and will require funding from property tax sources (Others such as nursing support to provide mental health supports are pending approval):

|   |                    |
|---|--------------------|
| Additional Funding for the Ontario Senior Dental Program Clinic Relocation – at the discretion of the Commissioner of Finance   | \$1,100,000        |
| Additional costs related to the construction of the Seaton Paramedic Station and Paramedic Training Facility. Funding sources identified as Capital Impact Stabilization Fund, or at the Discretion of the Commissioner of Finance. | <u>\$5,300,000</u> |
| Total   | <u>\$6,400,000</u> |

## 4. Water Supply and Sanitary Sewer Systems

### 4.1 Water Supply

- The Works Department reports that while there are budget variances within various program expenditures and revenues, there are overall savings due to the deferral of hiring of vacant positions, savings in operational activities, such as training which are anticipated to provide a surplus of \$500,000.
- To the end of July, residential water consumption is trending higher than budgeted given the pandemic lockdown and the shift to work from home. However, consumption by the Institutional, Commercial and Industrial (ICI) sector has decreased significantly due to the impact of the COVID-19 shutdown. The decrease more than offsets the higher residential consumption. A deficit position of \$1,000,000 in user rate revenue could result should consumption in the ICI sector not bounce back in the second half of the year.
- Overall, a deficit position of \$500,000 in the water supply system is anticipated at this time.

## 4.2 Sanitary Sewer

- The Works Department projects that the current operational expenditures for Sanitary Sewer are anticipated to produce a surplus position of approximately \$500,000 by year end, based on deferral of hiring of staff, and savings in operational activities such as training.
- Similar to water supply user revenues, the residential revenues are running higher than budget but there are lower revenues from the ICI sector. However, as there are a number of ICI sector accounts that are “water only” or where only a portion of the water consumed returns to the sanitary sewer system, the surplus in user rate revenue from the residential sector is offset by the reduction from the ICI accounts.
- Overall a net surplus position of approximately \$500,000 is anticipated for the sanitary sewer system.

## 5. Federal Provincial Safe Restart Funding

- As noted above, the Region will receive Federal Provincial Safe Restart funding in the amount of \$6,811,867 for 2020 specifically for use by the child-care sector to adapt operations in order to continue to deliver programming in the COVID-19 environment. This has been applied above.
- Similarly, Federal Provincial Safe Restart Phase 1 funding in the amount of \$8,405,396 to address COVID-19 municipal transit pressures has been applied to the deficit expected for DRT as noted above.
- The Region has been advised that it will receive \$14,551,200 of general Federal Provincial Safe Restart Phase 1 funding to address operating pressures and local needs. This funding is available for the current year to fund COVID-19 operating costs and pressures and can be applied to both property tax and user rate supported operations. Reporting will be required in March 2021 on the use of these funds.
- Regional staff are currently working to identify how best to apply the general Safe Restart funding to the expected deficits or the lifting of a portion of the targeted reductions to best support the Regional Recovery Framework and Action Plans. If there are any remaining Safe Restart funds at the end of 2020, it may be applied to one-time COVID-19 costs up to March 2021 in accordance with Provincial guidelines.

**6. Summary**

- 6.1 Based on the available information to the end of July, a deficit position is forecast for General Tax Operations and the Water Supply Operation. The Sanitary Sewer Systems is expected to have a small surplus for the year. A significant number of mitigation measures were employed throughout regional departments to aid in offsetting the significant impact of COVID-19. Their efforts are appreciated. As it appears a second wave of COVID-19 has commenced, that may have additional detrimental impacts across service areas affecting the projections included in this report.

Respectfully submitted,

Original Signed By N. Taylor

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N. Taylor, BBA, CPA, CA  
Commissioner of Finance



# The Regional Municipality of Durham Report

To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: #2020-F-19  
Date: October 13, 2020

## Subject:

Investing in Canada Infrastructure Program – Public Transit Stream Funding Update

## Recommendations:

The Finance and Administration Committee recommends to Regional Council:

- A) That 2021 pre-budget approval be granted for the Region's share of the 2021 project costs and financing outlined in Table 1 for provincially and federally approved Investing in Canada Infrastructure Program – Transit Stream (ICIP) projects;

**Table 1: Recommended Financing for the Region's 2021 share of Provincial and Federal approved ICIP projects (\$, '000)**

|   | Proposed 2021<br>Pre-budget Approval |               | Recommended Financing (\$, '000) |                    |                              |                      |                     |                        |
|---|--------------------------------------|---------------|----------------------------------|--------------------|------------------------------|----------------------|---------------------|------------------------|
|   | #                                    | (\$, '000)    | ICIP Grant                       | Provincial Gas Tax | Transit Capital Reserve Fund | Roads Residential DC | Roads Commercial DC | Regional Roads Reserve |
| HWY 2 Rapid Transit Lanes (Ajax, Whitby, Oshawa)  |                                      |               |                                  |                    |                              |                      |                     |                        |
| Property  |                                      | 9,000         | -                                | -                  | 6,998                        | 1,462                | 140                 | 400                    |
| Climate Lens Assessment                           |                                      | 100           | 73                               | -                  | 27                           | -                    | -                   | -                      |
| Design/Utility Relocation/Construction            |                                      | 9,200         | 6,746                            | -                  | 626                          | 1,334                | 128                 | 366                    |
| Subtotal HWY 2 Rapid Transit Lanes                |                                      | 18,300        | 6,819                            | -                  | 7,651                        | 2,796                | 268                 | 766                    |
| Simcoe Street Rapid Transit Corridor              |                                      |               |                                  |                    |                              |                      |                     |                        |
| EA & Climate Lens Assessment                      |                                      | 5,100         | 3,740                            | -                  | 1,360                        | -                    | -                   | -                      |
| Shelters  | 80                                   | 400           | 293                              | -                  | 107                          | -                    | -                   | -                      |
| Traffic Signals                                   | 10                                   | 400           | 293                              | -                  | 107                          | -                    | -                   | -                      |
| Que Jumps   | 4                                    | 900           | 660                              | -                  | 240                          | -                    | -                   | -                      |
| Subtotal Simcoe Street Rapid Transit Corridor     |                                      | 6,800         | 4,986                            | -                  | 1,814                        | -                    | -                   | -                      |
| Operator protective Shields                       |                                      | 1,225         | 898                              | 327                | -                            | -                    | -                   | -                      |
| On-Board Destination Sign Upgrades                |                                      | 750           | 550                              | 200                | -                            | -                    | -                   | -                      |
| Replacement Buses (BRT, 40 ft Buses)              | 5                                    | 3,762         | 2,759                            | 1,003              | -                            | -                    | -                   | -                      |
| Specialized Mini Bus Replacements                 | 4                                    | 793           | 582                              | 211                | -                            | -                    | -                   | -                      |
| Conventional Replacement Buses                    | 11                                   | 9,900         | 7,260                            | 2,640              | -                            | -                    | -                   | -                      |
| Advanced Fuel and Fluid Management System         |                                      | 500           | 367                              | 133                | -                            | -                    | -                   | -                      |
| Bus Stop Infrastructure                           |                                      | 1,169         | 857                              | 312                | -                            | -                    | -                   | -                      |
| Raleigh Administrative Building Re-Build (Design) |                                      | 500           | 367                              | 133                | -                            | -                    | -                   | -                      |
| <b>Total</b>                                      |                                      | <b>43,699</b> | <b>25,445</b>                    | <b>4,959</b>       | <b>9,465</b>                 | <b>2,796</b>         | <b>268</b>          | <b>766</b>             |

- B) That 2021 pre-budget approval be granted for the Region's share of the 2021 project costs and financing outlined in Table 2 for the property acquisition and Climate Lens Assessments necessary in 2021 to advance the Highway 2 Pickering Median Bus Rapid Transit (BRT) project, at an estimated cost of \$800,000 in advance of Federal approval of the related ICIP project application;

**Table 2: Property and Climate Lens Assessments to Advance Pickering Median Transit Lanes (\$, '000)**

|   | Proposed 2021<br>Pre-budget<br>Approval | Recommended Financing |                           |            |                           |                                 |
|---|---|-----------------------|---------------------------|------------|---------------------------|---------------------------------|
|   |   | ICIP Grant            | Roads Development Charges |            | Regional Roads<br>Reserve | Transit Capital<br>Reserve Fund |
|   |   |                       | Residential               | Commercial |                           |                                 |
| Pickering Median Transit Lanes (Altona to Notion) |   |                       |                           |            |                           |                                 |
| Property  | 700                                     | -                     | 456                       | 52         | 143                       | 49                              |
| Climate Lens Assessment                           | 100                                     | 73                    | -                         | -          | -                         | 27                              |
| <b>Total</b>                                      | <b>800</b>                              | <b>73</b>             | <b>456</b>                | <b>52</b>  | <b>143</b>                | <b>76</b>                       |

- C) That 2021 pre-budget approval be granted for the Region's share of the 2021 project costs and financing outlined in Table 3 for the Pickering Median Highway 2 Bus Rapid Transit (BRT) project components, conditional upon Federal approval of the Region's related ICIP application; and

**Table 3: Further 2021 Costs for Pickering Median Transit Lanes (\$, '000)**

|   | Proposed 2021<br>Pre-budget<br>Approval | Recommended Financing |                           |              |                           |                                 |
|---|---|-----------------------|---------------------------|--------------|---------------------------|---------------------------------|
|   |   | ICIP Grant            | Roads Development Charges |              | Regional Roads<br>Reserve | Transit Capital<br>Reserve Fund |
|   |   |                       | Residential               | Commercial   |                           |                                 |
| Pickering Median Transit Lanes (Altona to Notion) |   |                       |                           |              |                           |                                 |
| Property  | 11,000                                  | -                     | 7,161                     | 818          | 2,251                     | 770                             |
| Design/Utility Relocation/Construction            | 11,500                                  | 8,433                 | 1,996                     | 228          | 628                       | 215                             |
| <b>Total</b>                                      | <b>22,500</b>                           | <b>8,433</b>          | <b>9,157</b>              | <b>1,046</b> | <b>2,879</b>              | <b>985</b>                      |

- D) That 2021 pre-budget approval be granted for the following four new permanent full time positions at an estimated annual cost of \$718,000 to keep the ICIP projects on schedule and to ensure appropriate Regional participation in the Metrolinx Transit Oriented Development work program.

- a. Manager (1 FTE) - \$200,000 (includes salary and benefits)
- b. Manager, Rapid Transit Implementation (1 FTE) - \$200,000 (includes salary and benefits)
- c. Project Manager (1 FTE) - \$166,000 (includes salary and benefits)
- d. Project Engineer (1 FTE) - \$152,000 (includes salary and benefits)

**Report:****1. Purpose**

- 1.1 The purpose of this report is to provide an update on the funding applications submitted by the Region and Durham Region Transit (DRT) under the Investing in Canada Infrastructure Program – Public Transit Stream (ICIP). This report also seeks 2021 pre-budget approval for the financing required for the Region's 2021 share of the project costs. Pre-budget approval is being sought to advance the Region's work given the very aggressive timelines for these projects.
- 1.2 A companion report (Report 2020-DRT-20) was prepared for the October 7, 2020 Durham Region Transit Executive Committee meeting seeking final approval of the projects identified in the ICIP – Transit stream reflecting the Region's share of eligible and ineligible 2021 project costs conditional upon the Finance and Administration Committee approval of project financing.

**2. Background**

- 2.1 On July 22, 2019, the application window for the Public Transit Stream of ICIP opened for Greater Toronto and Hamilton Area municipalities with a deadline for submissions of October 24, 2019. It is noted that applications are planned to be accepted through multiple program intakes, but it is unknown when future intakes will take place.
- 2.2 Eligible ICIP projects are cost shared at a rate of 40.00 per cent federal, 33.33 per cent provincial and 26.67 per cent municipal funding. All ICIP projects must be substantially completed by March 31, 2027.
- 2.3 The Region's allocations under ICIP include \$95 million in federal and \$79 million in provincial funding which, when combined with a required \$63 million Regional contribution towards program-eligible costs, results in \$237 million in total program eligible costs. It is estimated that additional Regional funding totalling \$44.1 million will be necessary for program-ineligible costs, including land and staffing costs over the seven-year delivery of these projects.
- 2.4 At its meeting of November 6, 2019, TEC received a report from the General Manager of DRT summarizing the project applications submitted by the Region for ICIP funding (#2019-DRT-20). The report identified a total of 14 projects involving rapid transit advancement, fleet renewal, safety and accessibility improvements and modernization and innovation initiatives.
- 2.5 At its meeting on January 14, 2020, Finance and Administration Committee received Report 2020-F-01 which further outlined the costs related to the Region's ICIP project applications and provided an initial financing plan for the Region's share of program eligible and ineligible costs.

### 3. Project Status and Funding Update

#### 3.1 As of September 18, 2020, of the 14 applications submitted:

- a. Eleven applications have received funding approval from the provincial and federal governments, including:
  - Highway 2 Rapid Transit Lanes (Ajax, Whitby, Oshawa)
  - Simcoe Street Rapid Transit Corridor
  - 13 Replacement BRT Buses (2020-2022)
  - Two Articulated BRT Buses (2020)
  - 11 Replacement Conventional Hybrid Buses (2020)
  - 16 On Demand Replacement Vehicles (2020-2023)
  - Bus Stop Infrastructure Improvements
  - Operator Protective Shields
  - On-Board Destination Sign Upgrades
  - Raleigh Operations and Administration Building Re-Build
  - Advanced Fuel and Fluid Management System
- b. Two applications have been nominated by the provincial government and are pending approval by the federal government, including:
  - Highway 2 Median Transit Lanes (Pickering)
  - Transit Analytics Innovation Platform
- c. One application – PRESTO Device Replacement – was deemed by the federal government to be ineligible for ICIP funding based on program requirements

A summary of the status of all 14 projects is included in Attachment #1.

- 3.2 Further to provincial and federal approvals for DRT's fleet acquisition projects on June 30, 2020, the Regional Chair and Chief Administrative Officer approved the \$13.1 million project costs and associated financing for the applicable 2020 vehicle purchases as outlined in Table 4, under the Delegation of Authority during the Recesses of Regional Council provisions of the Region's Budget Management Policy (Article 19). This approval allowed DRT to proceed with purchasing the 2020 vehicles ahead of a July 31, 2020 deadline for the existing vendor contract, avoiding new procurement fees levied by Metrolinx for vehicle purchases through the Transit Procurement Initiative.

**Table 4: 2020 ICIP Vehicle Purchase Gross Costs and Approved Financing**

| Project Description                       | Number of Units | Gross Cost        | Recommended Financing |                    |                             |                 |
|---|-----------------|-------------------|-----------------------|--------------------|-----------------------------|-----------------|
|   |                 |                   | ICIP Grant            | Provincial Gas Tax | Transit Development Charges |                 |
|   |                 |                   |                       |                    | Residential                 | Non-Residential |
| <b>Growth Vehicles<sup>(1)</sup></b>      |                 |                   |                       |                    |                             |                 |
| BRT Buses (60 ft Articulated)             | 2               | 2,250,000         | 1,649,925             | 192,024            | 281,555                     | 126,496         |
| Simcoe BRT Buses (40 ft)                  | 8               | 5,835,000         | 4,278,806             | 497,982            | 730,166                     | 328,046         |
| <b>Sub-Total</b>                          | <b>10</b>       | <b>8,085,000</b>  | <b>5,928,731</b>      | <b>690,006</b>     | <b>1,011,721</b>            | <b>454,542</b>  |
|   |                 |                   |                       |                    |                             |                 |
| <b>Replacement Vehicles<sup>(2)</sup></b> |                 |                   |                       |                    |                             |                 |
| Replacement buses (BRT, 40 ft Buses)      | 6               | 4,232,250         | 3,103,509             | 1,128,741          | 0                           | 0               |
| Specialized Mini Bus Replacement          | 4               | 793,000           | 581,507               | 211,493            | 0                           | 0               |
| <b>Sub-Total</b>                          | <b>10</b>       | <b>5,025,250</b>  | <b>3,685,016</b>      | <b>1,340,234</b>   | <b>0</b>                    | <b>0</b>        |
|   |                 |                   |                       |                    |                             |                 |
| <b>Total</b>                              | <b>20</b>       | <b>13,110,250</b> | <b>9,613,747</b>      | <b>2,030,240</b>   | <b>1,011,721</b>            | <b>454,542</b>  |

**Notes:**

(1) Growth vehicle projects include growth vehicle outfitting including PRESTO devices, fareboxes, radios, annunciators and INIT technology

(2) Replacement vehicle projects include replacement vehicle outfitting including PRESTO/INIT MACD decommission/install

**4. 2021 Pre-budget Approval Requests**

4.1 In order to advance the Region's work on the ICIP projects given the very aggressive timelines, 2021 pre-budget approval is being sought for the following 2021 project costs and financing:

- a. Replacement of 11 Conventional Buses - The delegated authority in Section 3.2 did not include approval for the acquisition of DRT's first hybrid electric buses as hybrid electric buses are not available through the existing Transit Procurement Initiative vendor contract. The 11 hybrid electric buses will replace 11 conventional buses
- b. 2021 Vehicle Replacement Purchases - Pre-budget approval is being sought through this report to proceed with orders for the 2021 replacement vehicle purchases that have received ICIP project approvals. This includes five replacement PULSE Bus Rapid Transit buses and four replacement mini buses for DRT's On Demand and specialized transit services. Project costs also include the costs associated with outfitting the new vehicles with required technology including PRESTO and INIT systems. Pre-budget approval for 2021 vehicle purchases, for which the federal and provincial governments have already approved, will enable DRT to purchase the vehicles so they arrive when needed within the applicable budget year. Waiting for approval of the 2021 funding of these approved ICIP projects will delay receipt of buses and risk added costs to maintain vehicles scheduled to be retired.



- c. Various ICIP projects approved by Provincial and Federal Government - Project approvals are also being sought for additional ICIP project approvals received in from the federal and provincial governments in August and September, including Highway 2 Rapid Transit lanes, Simcoe Rapid Transit Corridor, Bus Stop Infrastructure Improvements, Operator Protective Shields, On-Board Destination Sign Upgrades, Raleigh Operations and Administration Building Re-Build, and the Advanced Fuel and Fluid Management projects.

Required funding for the Simcoe Rapid Transit Corridor projects includes bus stop infrastructure, transit priority measures and Environmental Assessment costs for future higher order transit (Region funding for the Simcoe Bus Rapid Transit growth buses was approved through the July 20, 2020 delegated authority). The Transit Project Assessment Process (TPAP) currently underway in partnership with Metrolinx and the City of Toronto will define the ultimate form of rapid transit development for the two Highway 2 projects.

- d. Highway 2 Pickering Median Bus Rapid Transit (BRT) - Project and associated financing approval is being requested for property acquisition and Climate Lens Assessments necessary to advance the Highway 2 Pickering Median Bus Rapid Transit (BRT) project, at an estimated cost of \$800,000, in advance of anticipated Federal approval of the related ICIP project application.

Furthermore, conditional approval of a further \$22.5 million in Pickering Median Highway 2 BRT costs is being requested, conditional upon Federal approval of the Region's related BRT ICIP application. This conditional approval will allow for Region staff to initiate work as soon as possible once final approvals are received from the other orders of government. The delayed roll-out of ICIP to 905-area transit agencies has already reduced the number of available construction seasons from ten to six years for projects to be completed ahead of the March 31, 2027 funding deadline.

- 4.2 The Region is recommending initiating completion of Climate Lens Assessments for the two Highway 2 Bus Rapid Transit projects and the Simcoe Rapid Transit Corridor. These assessments are a condition of funding approval for projects with eligible costs in excess of \$10 million. The estimated cost to complete the three assessments is \$300,000. These are considered an eligible expenditure for ICIP funding and can proceed prior to final program funding approval.
- 4.3 Durham Region Transit, along with several partner 905 transit agencies, are disappointed to have received the June 30, 2020 federal decision regarding the ineligibility of PRESTO device replacement costs for ICIP funding. PRESTO is mandated for 905 transit agencies as a condition of Provincial Gas Tax eligibility. Transit agencies are facing significant costs to replace devices at end of life on all vehicles. For DRT this is estimated at \$3.2 million. Delays in the roll-out of the ICIP program while the device replacement program progressed, and contracts were entered into by Metrolinx ahead of ICIP funding approvals in order to meet project deadlines, contributed to the applications being deemed ineligible.

- 4.4 DRT along with other 905 transit agencies and Metrolinx are exploring alternative financing options, including discussions with the Province on project eligibility under Safe Restart funding recently announced to assist transit agencies with pandemic-related cost impacts.
- 4.5 It is noted that the total ICIP funding allocated to the Region is not reduced as a result of the decision on the PRESTO device replacement project. The Region will have the opportunity to submit additional projects for funding approval at a future application window.

## **5. 2021 Pre-budget Approval – Staffing Request**

- 5.1 On November 27, 2019, through Report 2019-COW-26, Regional Council approved the establishment of a Rapid Transit Implementation/Transit Oriented Development Office including the inclusion of a new senior level staff position to lead the design and establishment of the Office, with administrative support in the 2020 Business Plans and Budget.
- 5.2 The Region hired a Director, reporting to the CAO in late summer and an Administrative Assistant has recently joined the Office. The work to design and establish the organizational structure of the Office is underway. A full reporting on the staffing requirements for the new Office will be included as part of the Region's 2021 Business Plans and Budget.
- 5.3 The following are the immediate full time permanent staffing needs required to deliver on Regional Council's priority to advance the Transit Oriented Development opportunities as part of the Metrolinx Bowmanville Go East extension initiative as well as deliver on the ICIP funding approvals for the Rapid Transit Projects.
- a. Manager (1 FTE) – at an estimated 2021 annual cost of \$200,000 including salary and benefits
  - b. Manager, Rapid Transit Implementation (1 FTE) – at an estimated 2021 annual cost of \$200,000 including salary and benefits
  - c. Project Manager (1 FTE) – at an estimated 2021 annual cost of \$166,000 including salary and benefits
  - d. Project Engineer (1 FTE) – at an estimated 2021 annual cost of \$152,000 including salary and benefits
- 5.4 2021 pre-budget approval for the above four full time permanent staffing positions at an estimated annual cost of \$718,000 is being recommended and will be required to be addressed within the 2021 property tax guideline of a maximum of 2.0 per cent approved by Regional Council on September 30, 2020.

## **6. Financial Implications**

- 6.1 The following table summarizes the proposed sources of financing for the federally approved ICIP project costs for which 2021 pre-budget approval is being sought:

**Table 5: Proposed Financing for Federally approved ICIP projects (\$, '000)**

|  | Proposed 2021<br>Pre-budget Approval |               | Recommended Financing (\$, '000) |                       |                                 |                         |                        |                           |
|--|--------------------------------------|---------------|----------------------------------|-----------------------|---------------------------------|-------------------------|------------------------|---------------------------|
|  | #                                    | (\$, '000)    | ICIP Grant                       | Provincial Gas<br>Tax | Transit Capital<br>Reserve Fund | Roads Residential<br>DC | Roads<br>Commercial DC | Regional Roads<br>Reserve |
| HWY 2 Rapid Transit Lanes (Ajax, Whitby, Oshawa)     |                                      |               |                                  |                       |                                 |                         |                        |                           |
| Property   |                                      | 9,000         | -                                | -                     | 6,998                           | 1,462                   | 140                    | 400                       |
| Climate Lens Assessment                              |                                      | 100           | 73                               | -                     | 27                              | -                       | -                      | -                         |
| Design/Utility Relocation/Construction               |                                      | 9,200         | 6,746                            | -                     | 626                             | 1,334                   | 128                    | 366                       |
| <b>Subtotal HWY 2 Rapid Transit Lanes</b>            |                                      | <b>18,300</b> | <b>6,819</b>                     | <b>-</b>              | <b>7,651</b>                    | <b>2,796</b>            | <b>268</b>             | <b>766</b>                |
| Simcoe Street Rapid Transit Corridor                 |                                      |               |                                  |                       |                                 |                         |                        |                           |
| EA & Climate Lens Assessment                         |                                      | 5,100         | 3,740                            | -                     | 1,360                           | -                       | -                      | -                         |
| Shelters   | 80                                   | 400           | 293                              | -                     | 107                             | -                       | -                      | -                         |
| Traffic Signals                                      | 10                                   | 400           | 293                              | -                     | 107                             | -                       | -                      | -                         |
| Que Jumps  | 4                                    | 900           | 660                              | -                     | 240                             | -                       | -                      | -                         |
| <b>Subtotal Simcoe Street Rapid Transit Corridor</b> |                                      | <b>6,800</b>  | <b>4,986</b>                     | <b>-</b>              | <b>1,814</b>                    | <b>-</b>                | <b>-</b>               | <b>-</b>                  |
| Operator protective Shields                          |                                      | 1,225         | 898                              | 327                   | -                               | -                       | -                      | -                         |
| On-Board Destination Sign Upgrades                   |                                      | 750           | 550                              | 200                   | -                               | -                       | -                      | -                         |
| Replacement Buses (BRT, 40 ft Buses)                 | 5                                    | 3,762         | 2,759                            | 1,003                 | -                               | -                       | -                      | -                         |
| Specialized Mini Bus Replacements                    | 4                                    | 793           | 582                              | 211                   | -                               | -                       | -                      | -                         |
| Conventional Replacement Buses                       | 11                                   | 9,900         | 7,260                            | 2,640                 | -                               | -                       | -                      | -                         |
| Advanced Fuel and Fluid Management System            |                                      | 500           | 367                              | 133                   | -                               | -                       | -                      | -                         |
| Bus Stop Infrastructure                              |                                      | 1,169         | 857                              | 312                   | -                               | -                       | -                      | -                         |
| Raleigh Administrative Building Re-Build (Design)    |                                      | 500           | 367                              | 133                   | -                               | -                       | -                      | -                         |
| <b>Total</b>   |                                      | <b>43,699</b> | <b>25,445</b>                    | <b>4,959</b>          | <b>9,465</b>                    | <b>2,796</b>            | <b>268</b>             | <b>766</b>                |

6.2 The following table details the proposed sources of financing for the property acquisition and Climate Lens Assessments necessary to advance the Pickering Median Highway 2 Bus Rapid Transit (BRT) project. 2021 pre-budget approval is being sought for these project costs.

**Table 6: Property and Climate Lens Assessments to Advance Pickering Median Transit Lanes (\$, '000)**

|   | Proposed 2021<br>Pre-budget<br>Approval | Recommended Financing |                           |            |                           |                                 |
|---|---|-----------------------|---------------------------|------------|---------------------------|---------------------------------|
|   |   | ICIP Grant            | Roads Development Charges |            | Regional Roads<br>Reserve | Transit Capital<br>Reserve Fund |
| Pickering Median Transit Lanes (Altona to Notion) |   |                       | Residential               | Commercial |                           |                                 |
| Property  | 700                                     | -                     | 456                       | 52         | 143                       | 49                              |
| Climate Lens Assessment                           | 100                                     | 73                    | -                         | -          | -                         | 27                              |
| <b>Total</b>                                      | <b>800</b>                              | <b>73</b>             | <b>456</b>                | <b>52</b>  | <b>143</b>                | <b>76</b>                       |

6.3 The following table details the recommended sources of financing for the Pickering Median Highway 2 Bus Rapid Transit (BRT) 2021 project costs for which 2021 pre-budget approval is being sought, conditional upon Federal approval of the Region's related ICIP funding application.

**Table 7: Further 2021 Costs for Pickering Median Transit Lanes (\$, '000)**

|   | Proposed 2021<br>Pre-budget<br>Approval | Recommended Financing |                           |              |                           |                                 |
|---|---|-----------------------|---------------------------|--------------|---------------------------|---------------------------------|
|   |   | ICIP Grant            | Roads Development Charges |              | Regional Roads<br>Reserve | Transit Capital<br>Reserve Fund |
| Pickering Median Transit Lanes (Altona to Notion) |   |                       | Residential               | Commercial   |                           |                                 |
| Property  | 11,000                                  | -                     | 7,161                     | 818          | 2,251                     | 770                             |
| Design/Utility Relocation/Construction            | 11,500                                  | 8,433                 | 1,996                     | 228          | 628                       | 215                             |
| <b>Total</b>                                      | <b>22,500</b>                           | <b>8,433</b>          | <b>9,157</b>              | <b>1,046</b> | <b>2,879</b>              | <b>985</b>                      |

6.4 The following table shows all approved, proposed and forecasted ICIP project costs and financing apart from costs associated with project implementation staffing. Forecasted ICIP project costs and financing will be included in the 2021 Capital Budget Forecast and future Business Plans and Budgets.

**Table 8: ICIP Project Capital Expenses and Financing Forecast (\$, '000)**

|  | Approved<br>Through<br>Delegated<br>Authority | Proposed<br>Pre-budget<br>Approval | Forecast      |               |                |              |            |                |
|--|---|------------------------------------|---------------|---------------|----------------|--------------|------------|----------------|
|  | 2020  | 2021                               | 2022          | 2023          | 2024           | 2025         | 2026       | Total          |
| <b>EXPENSES</b>  |   |                                    |               |               |                |              |            |                |
| <b>Road Projects</b>                                   |   |                                    |               |               |                |              |            |                |
| Median Transit Lanes (Altona to Notion)*               | -   | 23,300                             | 38,900        | 500           | 63,570         | -            | -          | 126,270        |
| HWY 2 Rapid Transit Lanes (Ajax, Whitby, Oshawa)       | -   | 18,300                             | 7,100         | 11,095        | 32,500         | 2,700        | -          | 71,695         |
| Simcoe Street Rapid Transit Corridor                   | -   | 6,800                              | -             | -             | -              | -            | -          | 6,800          |
| <b>Subtotal Road Projects</b>                          | -   | <b>48,400</b>                      | <b>46,000</b> | <b>11,595</b> | <b>96,070</b>  | <b>2,700</b> | -          | <b>204,765</b> |
| <b>Vehicles</b>  |   |                                    |               |               |                |              |            |                |
| Simcoe BRT Buses                                       | 5,835   | -                                  | -             | -             | -              | -            | -          | 5,835          |
| Replacement Buses - BRT                                | 4,232   | 3,762                              | 1,411         | -             | -              | -            | -          | 9,405          |
| Growth Buses - BRT Articulated                         | 2,250   | -                                  | -             | -             | -              | -            | -          | 2,250          |
| Replacement Buses - Conventional Hybrid                | -   | 9,900                              | -             | -             | -              | -            | -          | 9,900          |
| OnDemand/Specialized Mini Bus Replacement              | 793   | 793                                | 793           | 793           | -              | -            | -          | 3,172          |
| <b>Subtotal Vehicles</b>                               | <b>13,110</b>                                 | <b>14,455</b>                      | <b>2,204</b>  | <b>793</b>    | -              | -            | -          | <b>30,562</b>  |
| <b>Technology and Infrastructure Upgrades</b>          |   |                                    |               |               |                |              |            |                |
| Destination Sign Upgrades                              | -   | 750                                | -             | -             | -              | -            | -          | 750            |
| Advanced Fuel and Fluid Management System              | -   | 500                                | -             | -             | -              | -            | -          | 500            |
| Transit Analytics Innovation Platform                  | -   | -                                  | 1,794         | 1,661         | 1,328          | 1,329        | 532        | 6,644          |
| Operator Protective Shields                            | -   | 1,225                              | -             | -             | -              | -            | -          | 1,225          |
| Bus Stop Infrastructure                                | -   | 1,169                              | 2,631         | 2,923         | 3,021          | -            | -          | 9,744          |
| Raleigh Administrative Building Re-Build               | -   | 500                                | 4,500         | -             | -              | -            | -          | 5,000          |
| Undefined Project to Replace PRESTO Project            | -   | -                                  | 3,004         | -             | -              | -            | -          | 3,004          |
| <b>Subtotal Technology and Infrastructure Upgrades</b> | -   | <b>4,144</b>                       | <b>11,929</b> | <b>4,584</b>  | <b>4,349</b>   | <b>1,329</b> | <b>532</b> | <b>26,867</b>  |
| <b>TOTAL EXPENSES</b>                                  | <b>13,110</b>                                 | <b>66,999</b>                      | <b>60,133</b> | <b>16,972</b> | <b>100,419</b> | <b>4,029</b> | <b>532</b> | <b>262,194</b> |
| <b>FINANCING</b>                                       |   |                                    |               |               |                |              |            |                |
| <b>SUBTOTAL GRANT FUNDING</b>                          | <b>9,614</b>                                  | <b>33,951</b>                      | <b>41,162</b> | <b>12,446</b> | <b>73,638</b>  | <b>2,954</b> | <b>390</b> | <b>174,155</b> |
| <b>REGIONAL FUNDING</b>                                |   |                                    |               |               |                |              |            |                |
| <b>Roads Development Charges</b>                       |   |                                    |               |               |                |              |            |                |
| Residential  | 0   | 12,409                             | 6,867         | 2,009         | 11,037         | 0            | 0          | 32,322         |
| Commercial   | 0   | 1,366                              | 783           | 194           | 1,261          | 0            | 0          | 3,604          |
| <b>Roads Development Charges Subtotal</b>              | <b>0</b>                                      | <b>13,775</b>                      | <b>7,650</b>  | <b>2,203</b>  | <b>12,298</b>  | <b>0</b>     | <b>0</b>   | <b>35,926</b>  |
| <b>Reserve Funding</b>                                 |   |                                    |               |               |                |              |            |                |
| Roads Reserve  | 0   | 3,788                              | 2,154         | 554           | 3,468          | 0            | 0          | 9,964          |
| Transit Capital Reserve Fund                           | 0   | 10,526                             | 6,598         | 335           | 9,855          | 721          | 0          | 28,035         |
| <b>Reserve Funding Subtotal</b>                        | <b>0</b>                                      | <b>14,314</b>                      | <b>8,752</b>  | <b>889</b>    | <b>13,323</b>  | <b>721</b>   | <b>0</b>   | <b>37,999</b>  |
| <b>Transit Development Charges</b>                     |   |                                    |               |               |                |              |            |                |
| Residential  | 1,012   | 0                                  | 0             | 0             | 0              | 0            | 0          | 1,012          |
| Non-Residential  | 454   | 0                                  | 0             | 0             | 0              | 0            | 0          | 454            |
| <b>Transit Development Charges Subtotal</b>            | <b>1,466</b>                                  | <b>0</b>                           | <b>0</b>      | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>   | <b>1,466</b>   |
| <b>Provincial Gas Tax</b>                              | <b>2,030</b>                                  | <b>4,959</b>                       | <b>2,569</b>  | <b>1,434</b>  | <b>1,160</b>   | <b>354</b>   | <b>142</b> | <b>12,648</b>  |
| <b>SUBTOTAL REGIONAL FUNDING</b>                       | <b>3,496</b>                                  | <b>33,048</b>                      | <b>18,971</b> | <b>4,526</b>  | <b>26,781</b>  | <b>1,075</b> | <b>142</b> | <b>88,039</b>  |
| <b>TOTAL FINANCING</b>                                 | <b>13,110</b>                                 | <b>66,999</b>                      | <b>60,133</b> | <b>16,972</b> | <b>100,419</b> | <b>4,029</b> | <b>532</b> | <b>262,194</b> |

\* Note: \$22.5 million of the 2021 proposed project costs of \$23.3 million is conditional on Federal approval of the Median Transit Lanes ICIP application.

- 6.5 2021 pre-budget approval for four full time permanent staffing positions required to pursue Transit Oriented Development opportunities as well as implement ICIP Rapid Transit Projects, at an estimated cost of \$718,000, is being recommended and will be required to be addressed within the 2021 property tax guideline of a maximum of 2.0 per cent approved by Regional Council on September 30, 2020.
- 6.6 Transit oriented development initiatives and rapid transit implementation will have further staff implications across the organization. Staff are in the process of developing the full staffing plan which will be presented as part of the 2021 and future Business Plans and Budgets or an appropriate reporting mechanism through the Committee and Council process.
- 6.7 The Region along with other 905 transit agencies and Metrolinx are exploring alternative financing options for the PRESTO device replacement project, including eligibility under the Safe Restart Funding program. Recommended funding for this project will be brought forward as part of the 2021 Business Plans and Budget or an appropriate reporting mechanism through the Committee and Council process.

## **7. Next Steps**

- 7.1 The Commissioner of Works and the General Manager of DRT have been consulted and concur with the recommendations of this report.
- 7.2 A similar report seeking approval of the ICIP projects will be presented to the Transit Executive Committee on October 7, 2020.
- 7.3 Upon approval of the recommendations in this report, staff will initiate work on ICIP projects that have received full approval from the federal and provincial governments, including the required Climate Lens Assessments. For the Highway 2 Median Transit lanes receiving conditional approval, work will begin on completion of the required Climate Lens Assessment and initial land acquisition. Project implementation will commence upon receipt of final project approvals as communicated in writing from the Minister of Transportation Ontario.
- 7.4 Project and financing approvals required for Region's contribution to the Transit Analytics Innovation Platform project will be brought forward through the 2021 business plan and budget process pending confirmation of ICIP project approval from the federal and provincial governments.
- 7.5 The Region will be required to enter into a transfer payment agreement to be negotiated with the Province. Details on the agreement(s) and approval to execute will be brought to a future meeting of TEC. In the interim, work can proceed on the approved projects based on the eligible project expenditures date identified in the project approval letter from the Minister of Transportation Ontario.

## **8. Attachments**

### Attachment #1: ICIP Project Status

Respectfully submitted,

Original Signed by Nancy Taylor

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Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed by Elaine Baxter-Trahair

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Elaine Baxter-Trahair  
Chief Administrative Officer

**Attachment #1: ICIP Project Status**

| <b>Projects</b>                                       | <b>ICIP eligible costs (\$ millions)</b> | <b>Status as of September 18, 2020</b> |
|---|--|--|
| <b>Rapid Transit Projects</b>                         |  |  |
| 1) Hwy 2 Median Transit Lanes (Pickering)             | \$114.6                                  | Pending approval                       |
| 2) Hwy 2 Rapid Transit Lanes (Ajax, Whitby, Oshawa)   | \$58.7                                   | Approved                               |
| 3) Simcoe Street Rapid Transit Corridor               | \$12.6                                   | Approved                               |
| <b>Rapid Transit Subtotal</b>                         | <b>\$185.9</b>                           |  |
| <b>Fleet Renewal</b>                                  |  |  |
| 4) 13 Replacement BRT Buses                           | \$9.4                                    | Approved                               |
| 5) 2 Articulated BRT Buses                            | \$2.2                                    | Approved                               |
| 6) 11 Replacement Conventional Hybrid Buses           | \$9.9                                    | Approved                               |
| 7) 16 On Demand Replacement Vehicles                  | \$3.2                                    | Approved                               |
| <b>Fleet Renewal Subtotal</b>                         | <b>\$24.7</b>                            |  |
| <b>Safety and Accessibility Improvements</b>          |  |  |
| 8) Bus Stop Infrastructure                            | \$9.7                                    | Approved                               |
| 9) Raleigh Administrative Building Re-Build           | \$5.0                                    | Approved                               |
| 10) Operator Protective Shields                       | \$1.2                                    | Approved                               |
| <b>Safety and Accessibility Improvements Subtotal</b> | <b>\$15.9</b>                            |  |
| <b>Modernization and Innovation</b>                   |  |  |
| 11) On-Board Destination Sign Upgrades                | \$0.8                                    | Approved                               |
| 12) Advanced Fuel and Fluid Management System         | \$0.5                                    | Approved                               |
| 13) Transit Analytics Innovation Platform             | \$6.6                                    | Pending approval                       |
| 14) PRESTO Device Replacement                         | \$3.1                                    | Deemed ineligible                      |
| <b>Modernization and Innovation Subtotal</b>          | <b>\$11.0</b>                            |  |
| <b>Total</b>  | <b>\$237.5</b>                           |  |



## The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: #2020-F-20  
Date: October 13, 2020

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**Subject:**

Authorization to secure funding under the Provincial Municipal Transit Enhanced Cleaning (MTEC) Program and the Federal-Provincial Safe Restart Funding Program

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**Recommendation:**

The Finance and Administration Committee recommends to Regional Council:

- A) That the Regional Chair and Clerk be authorized to execute the provincial Transfer Payment Agreement (TPA) to receive funding under the Municipal Transit Enhanced Cleaning program, subject to the concurrence of the Commissioner of Finance and Director of Legal Services;
  - B) That Regional Council support any submissions for funding under Phase 2 of the Federal-Provincial Safe Restart program under both the transit funding stream and the municipal operating funding stream on the basis that funding provided under Phase 1 is not expected to be sufficient to address 2020 COVID-19 related operating cost pressures;
  - C) That the Regional Chair and Clerk be authorized to execute any required Transfer Payment Agreements for funding under the Phase 2 Federal-Provincial Safe Restart program, under both the transit funding stream and the municipal operating funding stream, subject to the concurrence of the Commissioner of Finance and Director of Legal Services;
  - D) That the Commissioner of Finance/Treasurer be authorized to sign any required documentation or agreements, including but not limited to any future amendments to the TPAs, to secure senior government funding under the Municipal Transit Enhanced Cleaning program and the Federal-Provincial Safe Restart programs; and
  - E) That approval be granted for any required by-laws under the Municipal Transit Enhanced Cleaning program and the Federal-Provincial Safe Restart programs.
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**Report:****1. Purpose**

- 1.1 The purpose of this report is to seek the necessary Regional Council approvals to secure senior government funding under the Municipal Transit Enhanced Cleaning (MTEC) program and the Safe Restart programs, including making submissions for funding under Phase 2 of the Safe Restart programs.

**2. Municipal Transit Enhanced Cleaning (MTEC) Program**

- 2.1 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 through the Municipal Transit Enhanced Cleaning (MTEC) program.
- 2.2 MTEC funding will be distributed amongst municipalities using a modified version of the provincial gas tax allocation formula. The modification includes a \$500 base funding amount for each recipient with 70 per cent of the balance of the funding being allocated by ridership and the remaining 30 per cent allocated by population.
- 2.3 Under the MTEC program, eligible costs will include direct costs incurred by the municipality on or after April 1, 2020 and on or before December 31, 2020. Eligible costs will include items considered to have been properly and reasonably incurred and 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.

**3. Safe Restart Program (SRP)**

- 3.1 Through the SRP, the federal and provincial governments committed to provide up to \$4 billion in emergency assistance to provide Ontario's 444 municipalities with the support they need to respond to COVID-19. The funding program is being administered by the Ontario Provincial Government. The funding includes:
- a. Up to \$2 billion to support municipal operating pressures, including
    - A municipal operating stream totaling \$1.39 billion;
    - A Social Services Relief Fund stream; and
    - A public health stream.
  - b. Up to \$2 billion to support municipal transit systems.
- 3.2 Funding under the municipal operating stream of the SRP is to be allocated to municipalities on a per household basis. The province has indicated that the funding will be allocated in two phases: 50% allocated in Phase 1 for all municipalities, and 50% allocated in Phase 2 for municipalities that require additional funding to address extraordinary operating expenditures and revenue losses arising from COVID-19 in 2020, over and above the Phase 1 funding.

- 3.3 Funding under the transit stream of the SRP will also be allocated in two phases: In Phase 1, \$666 million will be allocated to municipalities with transit systems to help provide immediate relief from the financial pressures of COVID-19; In Phase 2, the balance will be available for municipalities with transit systems to address the ongoing financial pressures of COVID-19 until the end of the provincial fiscal year (March 31, 2021).
- 3.4 MTO has advised that specific requirements will be included in the TPA for Phase 2 of the SRP- transit stream. Under Phase 2, municipalities will be required to demonstrate their participation and progress in different areas including, for example:
- a. Ensuring and promoting the safety of public transit systems through the coordinated procurement of new safety materials;
  - b. Requiring that the transit systems drive service sustainability through innovation in route planning and technology, including the use of microtransit solutions, as well as reviewing municipal transit jurisdictions where there are upper- and lower-tier systems operating in the same areas; and
  - c. Requiring that the GTHA municipalities work with the province to make real progress on fare and service integration to provide rider benefits.
- 3.5 At the time of writing this report, the Region is awaiting details from the Province on specific program requirements, eligibility and reporting requirements as well as detailed information on how to apply for Phase 2 funding. Once received, staff will review these requirements and complete the required financial submissions by the October 30, 2020 deadline in order to be assessed for Phase 2 funding under both the municipal operating stream and transit stream of the SRP.

#### **4. Financial Implications**

- 4.1 Durham Region's allocation under the MTEC program is \$365,101.
- 4.2 Under Phase 1 of the municipal operating stream of the SRP, Durham Region will receive \$14,551,200 in funding to support COVID-19 operating costs and pressures.
- 4.3 Under Phase 1 of the transit stream of the SRP, Durham Region will receive \$8,405,396 in funding to support COVID-19 municipal transit pressures, incurred from April 1, 2020 to September 30, 2020.
- 4.4 The province has indicated Phase 2 funding will only be available to a small number of municipalities who have been impacted the hardest financially by the COVID-19 pandemic. Municipalities are required to submit financial reporting, along with a resolution of Council supporting a request for SRP Phase 2 funding by October 30, 2020 on the basis that the funding provided under Phase 1 is not expected to be sufficient to address 2020 COVID-19 related operating cost pressures.

- 4.5 At the time of writing this report, further details were not available to provide to Council. However, a Council resolution is required by October 30, 2020 so provision has been made in this report to concurrently obtain Council support while determining required financial reporting.

## **5. Conclusion**

- 5.1 This report seeks the necessary Regional Council approvals to secure senior government funding under the Municipal Transit Enhanced Cleaning (MTEC) program and the Safe Restart programs, including obtaining Council support for a submission for funding under Phase 2 of the Safe Restart programs.

Respectfully submitted,

Original Signed by Nancy Taylor

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Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed by Elaine Baxter-Trahair

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Elaine Baxter-Trahair  
Chief Administrative Officer

## **Resolutions from Advisory Committees**

### **Durham Region Roundtable on Climate Change Committee**

1. Request for an Annual Progress Report from the Conservation Authorities re:  
Climate Change Action
- 

That we recommend to the Finance and Administration Committee for approval and subsequent recommendation to Regional Council:

- A) That the Conservation Authorities (CA) provide an annual progress report on the activities of the CA's climate change action through natural based solutions to the Durham Region Roundtable on Climate Change Committee (DRRCC); and
- B) That the Durham Regional Chair request to the Chair of each CA, the opportunity to present the details of this program to their respective Full Authorities at a future meeting.