SUBJECT: Application for 2005 Ontario Transit Vehicle Program (OTVP) Subsidy (PW05134) (City Wide)

RECOMMENDATION:

(a) That pursuant to the Ontario Transit Vehicle Program (OTVP) - Guidelines and Requirements, the Council of the City of Hamilton hereby requests an allocation of 2005 transit fleet capital renewal funds for the replacement of 14 conventional transit vehicles in the amount of $1,823,822 representing 33% of gross expenditures of $5,471,471 as reported in Capital Project ID: 5300583101.

(b) That pursuant to the Ontario Transit Vehicle Program (OTVP) - Guidelines and Requirements, the Council of the City of Hamilton hereby requests an allocation of 2005 transit fleet capital renewal funds for the replacement of 9 specialized transit vehicles in the amount of $549,245 representing 33% of gross expenditures of $1,647,737 as reported in Capital Project ID: 5310582100.

(c) That pursuant to the Ontario Transit Vehicle Program (OTVP) - Guidelines and Requirements, the Council of the City of Hamilton hereby requests an allocation of 2005 transit fleet capital expansion funds for 5 high floor specialized transit vehicles in the amount of $167,880 representing 33% of gross expenditures of $503,642 as reported in Capital Project ID: 5310582502.

(d) That pursuant to the Ontario Transit Vehicle Program (OTVP) - Guidelines and Requirements, the Council of the City of Hamilton hereby requests an allocation of 2005 transit fleet capital expansion funds for 3 conventional transit vehicles in the amount of $361,869 representing 33% of gross expenditures of $1,085,609 as reported in Capital Project ID: 5300583507.

(e) That pursuant to the Ontario Transit Vehicle Program (OTVP) - Guidelines and Requirements, the Council of the City of Hamilton hereby requests an allocation of 2005 transit fleet capital expansion funds for 3 conventional transit vehicles in the amount of $361,869 representing 33% of gross expenditures of $1,085,609 as reported in Capital Project ID: 5300583506.
(f) That pursuant to the Ontario Transit Vehicle Program (OTVP) - Guidelines and Requirements, the Council of the City of Hamilton hereby requests an allocation of 2005 transit fleet capital renewal funds for the replacement of 14 conventional transit vehicles in the amount of $1,829,888 representing 33% of gross expenditures of $5,489,669 as reported in Capital Project ID: 5300483101.

(g) That pursuant to the Ontario Transit Vehicle Program (OTVP) - Guidelines and Requirements, the Council of the City of Hamilton hereby requests an allocation of 2005 transit fleet capital renewal funds for the replacement of 9 specialized transit vehicles in the amount of $283,708 representing 33% of gross expenditures of $851,125 as reported in Capital Project ID: 5310482100.

(h) That pursuant to the Ontario Transit Vehicle Program (OTVP) - Guidelines and Requirements, the Council of the City of Hamilton hereby requests an allocation of 2005 transit fleet capital renewal funds for the refurbishment of 12 conventional transit vehicles, forecasted to be in the amount of $200,000.

(i) That the Mayor, Treasurer and Clerk be authorized to sign the application forms as required by the Ministry of Transportation.

Scott Stewart, C.E.T.
General Manager
Public Works

**EXECUTIVE SUMMARY:**

In accordance with the Minister’s September 28, 2005 correspondence addressed to the Mayor, the City qualifies for an estimated $5,578,282 in Provincial subsidy, representing 33.33% of net cost to the City, in accordance with the Province’s Ontario Transit Vehicle Program (OTVP) policy (2005) related to conventional transit (HSR) and specialized transit (ATS) fleet replacement, expansion, and refurbishment.

Council resolution confirming approval of the expenditures itemized as recommendations a) through i) in this report is required for submission the Minister.

**BACKGROUND:**

The information/recommendations contained within this report have City wide implications and relate to matters/facilities/programming/property within the entire City.

In 2001 the Province of Ontario announced a ten-year transit investment plan to contribute towards transit fleet renewal funding beginning in 2002. The program is made up of $3.25 billion over ten years. The original name of the program was the Ontario Transit Renewal Program. It was initially established to provide up to one third of the capital costs of the replacement of ageing municipal transit vehicles as part of the Government’s transit investment plan. In 2004, the program was renamed the Ontario
Transit Vehicle Program (OTVP) to recognize expansion of the program to include one third funding of expansion fleet and fleet refurbishments. Program subsidy eligibility is reviewed annually by the Minister. At stakeholder meetings convened by the MTO over the summer months MTO staff advised that the Minister was considering changes to the program for 2006, due to it being dramatically under funded relative to Municipal spending forecasts, that could include restrictions on eligibility, funding reduction or complete wind down of the program.

Staff forecast completing 12 conventional transit bus refurbishments in 2005 at an estimated gross cost of $600,000. Eight refurbishments had been completed at the date of this report. These refurbishments are eligible for one third subsidy in accordance with the 2005 OTVP program. In consultation with MTO staff, City staff were advised to submit a forecast of refurbishments to be completed to December 31, 2005.

The Province of Ontario normally requires municipalities to forward a City Council resolution requesting funding by October 31, 2005. However, staff received the application forms from the Ministry of Transportation in September. Staff has confirmed that a late submission is acceptable to the MTO.

**ANALYSIS/RATIONALE:**

Reference report PW04126 Conventional Transit Fleet Purchase.

**ALTERNATIVES FOR CONSIDERATION:**

Submission of a Council resolution and supporting documentation is a requirement for eligibility of subsidy.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

The Province of Ontario renewal funds will be credited to the appropriate capital budget vehicle replacement project numbers and reserves as previously directed by Council.

**POLICIES AFFECTING PROPOSAL:**

N/A

**RELEVANT CONSULTATION:**

The 2005 application for the Ontario Transit Renewal Program has been reviewed by Corporate Services, Finance & Administration.
CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Provision of clean, reliable and modern transit fleet.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Air quality and water quality and quantity are protected. Replacement fleet has lower GHG emissions.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Investment in Hamilton is enhanced and supported. Alternate forms of revenue to support programs.

Does the option you are recommending create value across all three bottom lines?
☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?
☒ Yes ☐ No