SUBJECT: Province of Ontario Transit Capital Grant - (PW08030) - (City Wide)

RECOMMENDATION:

(a) That the correspondence received by the Mayor dated February 29, 2008 from the Minister of Transportation (attached as Appendix A) providing $7,522,653 for transit capital expenditures be received;

(b) That the by-law (attached as Appendix B) authorizing the receipt of the funds and requiring they be applied to transit capital expenditures be passed and enacted and then forwarded to the Province of Ontario prior to March 21, 2008;

(c) That the funds be deposited in a dedicated Transit Capital Reserve.

EXECUTIVE SUMMARY:

On Friday, February 29, 2008, the Mayor and staff received notice from the Minister of Transportation of the Province of Ontario that the City would be receiving a grant of $7,522,653 before March 31, 2008 conditional upon Council’s approval of a by-law prior to March 21, 2008 and essentially confirming that the funds would be allocated to transit capital expenditures.

This funding was first announced in the Province’s Fall Capital Economic Statement, yet had not been allocated until now. This is new funding not previously accounted for.

While the only condition on the funding is that it be applied to transit capital expenditures, it is the Province’s expectation that the funds will be used for Transit
Capital expansion to help improve accessibility for people with disabilities, manage congestion, support the environment and improve the movement of both people and goods.

BACKGROUND:
In the 2007 Ontario Economic Outlook and Fiscal Review (Fall Economic Statement), the Province committed $600 million to improve and expand public transit across Ontario. Of this funding $300 million is being provided to municipalities to address their immediate state of good repair needs.

ANALYSIS/RATIONALE:
N/A

ALTERNATIVES FOR CONSIDERATION:
N/A

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:
The City will be receiving a one-time Capital grant of $7,522,653 from the Province of Ontario before March 31, 2008 conditional upon Council’s approval and submission of a by-law to the Province confirming that the funds will be used for Transit Capital projects prior to March 21, 2008.

POLICIES AFFECTING PROPOSAL:
A Council by-law is required confirming that the funds will be applied to Transit Capital Expenditures.

RELEVANT CONSULTATION:
Corporate Services Department: Finance & Administration, Legal Services.

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
The proposed funding advocates for improved accessibility for people with disabilities, to reduce congestion, support environmental initiatives and improve the movement of people and goods.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Transit capital may be dedicated to environmentally enhanced initiatives such as the purchase of low emission fleet.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Ongoing Federal and Provincial support for transit is essential to the sustainability of transit 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
February 29, 2008

His Worship Fred Eisenberger
Mayor
The City of Hamilton
77 James Street N., Suite 400
Hamilton, Ontario
L8R 2K3

Dear Mayor Eisenberger:

I am pleased to advise you that the Ontario government is delivering on our commitment to support public transit in Ontario.

In the 2007 Ontario Economic Outlook and Fiscal Review (Fall Economic Statement), the Province committed substantial one-time funding to improve and expand public transit across Ontario. I am pleased to inform you that the City of Hamilton is a recipient of funding to address their immediate state of good repair needs.

Renewing and expanding municipal transit infrastructure is vital to achieving our common goal of increasing transit ridership. It is expected that these funds will also help to improve accessibility for people with disabilities, manage congestion, support the environment and improve the movement of both people and goods.

To this end, a payment of $7,522,653 to the City of Hamilton will be made prior to March 31, 2008.

In order to proceed with the processing of these funds, the Province requires that an authorizing by-law be received no later than March 21, 2008. The by-law should reference that the funding amount, as indicated above, has been committed through the Province’s Fall Economic Statement and will be:

- Used for municipal transit capital expenditures;
- Audited by the municipality’s external auditor and reported to the Ministry on an annual basis; and
- Deducted, in full or in part, from future provincial transit funding allocations, if the municipality is found to not be in compliance with the terms set out above.

If you have any questions regarding the program, please contact Chris Burke, Director, Transit Policy Branch at 416-235-3670. For any other questions, please contact Steve Naylor, Director, Finance Branch, at 905-704-2702.

Yours sincerely,

Jim Bradley
Minister of Transportation

c: Joseph Rinaldo, General Manager, Finance and Corporate Services, City of Hamilton
   Don Hull, Director of Transit, Hamilton Street Railway Company
   Andrea Horwath, MPP, Hamilton Centre
   Sophia Aggelonitis, MPP, Hamilton Mountain
   The Honourable Ted McMeekin, MPP, Ancaster-Dundas-Flamborough-Westdale
   Paul Miller, MPP, Hamilton East-Stoney Creek
CITY OF HAMILTON

BY-LAW NO. __________

To Authorize the Receipt of Funding from the Province of Ontario to Improve and Expand Public Transit in the City of Hamilton

WHEREAS in its 2007 Ontario Economic Outlook and Fiscal Review (Fall Economic Statement), the Province of Ontario committed to one-time funding to expand public transit across Ontario;

AND WHEREAS in a letter dated February 29, 2008, attached to this By-law as Schedule A, the Minister of Transportation informed the City of Hamilton that it is a recipient of such funding, subject to an authorizing by-law being received no later than March 21, 2008;

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. The City of Hamilton is authorized to receive a payment of $7,522,653 from the Province of Ontario as committed in the 2007 Ontario Economic Outlook and Fiscal Review (Fall Economic Statement) to improve and expand the City of Hamilton’s public transit.

2. The payment of $7,522,653 shall be:
   (a) used for the City of Hamilton’s transit capital expenditures;
   (b) audited by the City of Hamilton’s external auditor and reported to the Ministry of Transportation on an annual basis; and
(c) deducted, in full or in part, from future provincial transit funding allocations, if the City of Hamilton is found not to be in compliance with subsections (a) and (b).

3. This By-law shall come into force on the day it is passed and enacted.

PASSED and ENACTED this ______ day of ______ , 200 .

_____________________________________________  __________________________________________
MAYOR                                        CLERK