



THE CORPORATION OF THE TOWN OF AMHERSTBURG
OFFICE OF ENGINEERING & INFRASTRUCTURE SERVICES

MISSION STATEMENT: Committed to delivering cost-effective and efficient services for the residents of the Town of Amherstburg with a view to improve and enhance their quality of life.

Author's Name: Antonietta Giofu	Report Date: February 13, 2023
Author's Phone: 519 736-3664 ext. 2320	Date to Council: March 13, 2023
Author's E-mail: agiofu@amherstburg.ca	Resolution #:

To: Mayor and Members of Town Council

Subject: Transit Service – Provincial Gas Tax Program Funding

1. **RECOMMENDATION:**

It is recommended that:

1. Administration **BE DIRECTED** to proceed with a transit service with Transit Windsor;
2. That the Chief Administrative Officer and the Clerk **BE AUTHORIZED** to take any such action required to effect the recommendation noted above and sign any required documentation/agreement(s) for the implementation of the transit service, satisfactory in legal form to the Clerk, in technical content to Director of Infrastructure Services and in financial content to the Chief Financial Officer;
3. **By-law 2023-032** being a By-law to authorize the execution of an agreement with His Majesty the King in Right of the Province of Ontario as represented by the Minister of Transportation for the Province of Ontario related to dedicated Gas Tax funds – 2022-2023 be taken as having been read three times and finally passed and the Mayor and Clerk **BE AUTHORIZED** to sign same;
4. **By-law 2023-033** being a By-law to enter into an agreement with the Ministry of Transportation related to funding under the dedicated Gas Tax funds be taken as having been read three times and finally passed and the Mayor and Clerk **BE AUTHORIZED** to sign same; and further,
5. That Council **APPROVES** the transfer to the Transit reserve for gas tax money received in 2023 for Transit.

2. BACKGROUND:

On May 24, 2022, Council passed resolution #20220524-08 as follows:

1. *Administration BE DIRECTED to proceed with a 2-year transit service pilot with Transit Windsor that includes Option 3 routing for weekdays and weekends year round;*
2. *The Chief Administrative Officer and the Clerk BE AUTHORIZED to take any such action required to effect the recommendation noted above and sign any required documentation/agreement(s) for the implementation of the 2-year transit service pilot, satisfactory in legal form to the Clerk, in technical content to Director of Infrastructure Services and in financial content to the Chief Financial Officer; and further;*
3. *An estimated operational expenditure of \$200,000 and \$150,000 BE APPROVED as a first charge to the 2023 and 2024 Operating Budget respectively for the 2-year transit service pilot project;*
4. *Council DIRECT Administration to seek any grant opportunities for the project:*
 - a. *That Administration BE APPROVED to submit an application for grant opportunities available for the project and;*
 - b. *That the Clerk and Mayor BE AUTHORIZED to sign agreements for grant opportunities offered.*

The transit service pilot with Transit Windsor began providing bus services in the Town on September 6, 2022.

3. DISCUSSION:

On September 20, 2022, Administration met with representatives from the Ministry of Transportation to discuss the Provincial Gas Tax Program and the Town's new transit service. The purpose of the Provincial Gas Tax Program is to provide dedicated gas tax funds to Ontario municipalities to ensure that local public transportation services continue, and to increase overall ridership through the expansion of public transportation capital infrastructure and levels of service.

To be eligible to receive dedicated gas tax funds, a municipality must:

1. contribute financially towards it's public transportation services, and;
2. use funding for expenditures that support public transit and are incremental to their spending on transit, and not to replace or reduce their contributions.

However, the Gas Tax Program does not support transit systems running on a pilot program. Municipalities must commit to ongoing funding support. As the Town's current transit system is a 2-year pilot it would not meet the requirements of the program and no funding would be available.

Representatives from the Ministry of Transportation have provided Administration with an estimate of the amount of gas tax funding the Town could be eligible for if the current

service was made into a fully committed permanent service. Gas Tax allocations are based on a formula of 70% ridership and 30% population. The estimate provided by the Ministry representative was \$113,000 for the 2022-2023 program year, pro-rated to September 2022 when the Amherstburg service began. This amount would increase in future years for full year service.

To be eligible for the Gas Tax funding for the 2022-2023 program year, Council would need to pass a by-law indicating intent and financial commitment to annual funding support of transit service.

According to an analysis provided by Transit Windsor, existing ridership is doing well for a service that provides three trips per day. The service is seeing 9 boardings per hour (November 2022 as well as January 2023). For a regional route like the one in Amherstburg, the minimum should be 10 and target 15, and it usually takes 18 months to build ridership. Transit Windsor is suggesting that the ridership being seen from the Town's service is promising.

The following table outlines the total monthly passengers since the start of the service:

<u>Month</u>	<u>Total Passengers</u>
September	462
October	597
November	966
December	628
January	695
Total	3348

Despite the promising ridership number, the success of a municipal transit service relies heavily on the financial assistance of upper levels of government. Without the ability to leverage funding from the Provincial Gas Tax, the financial impact of a transit service would be a large burden to bear by the taxpayers. This is the case for most, if not all, municipalities.

4. RISK ANALYSIS:

Although ridership has been positive, expenses related to municipal transit services far outweigh the revenue generated by ridership. If a municipality is not able to leverage funding from upper levels of government, transit service would be born entirely by the taxpayers and the pilot project may not be a success.

5. FINANCIAL MATTERS:

Provincial Gas Tax funding can significantly contribute to the cost of a municipal transit service and leveraging provincial funding will lessen the burden on taxpayers. The 2023 Operating budget includes \$200,000 in transit expenses and \$60,000 estimated revenue.

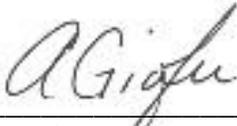
Funds are transferred to municipalities, to be held in a dedicated transit reserve account.

6. **CONSULTATIONS:**

Ministry of Transportation
Transit Windsor

7. **CONCLUSION:**

Administration is recommending that Council commit to ongoing funding of the Town's transit service to qualify for funding under the Provincial Gas Tax program.

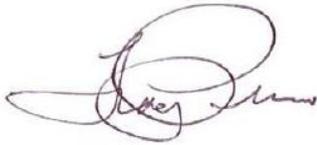


Antonietta Giofu
Director of Infrastructure Services

Report Approval Details

Document Title:	Transit Service .docx
Attachments:	- Bylaw 2023-032 Transit Gas Tax 2022-2023 Program Year.doc - Bylaw 2023-033 Transit Gas Tax Continued Service.doc
Final Approval Date:	Mar 9, 2023

This report and all of its attachments were approved and signed as outlined below:



Tracy Prince



Valerie Critchley



Kevin Fox