

The Regional Municipality of York

Committee of the Whole
Transportation Services
May 14, 2020

Report of the Commissioner of Transportation Services

Impacts of COVID-19 on Public Transit

1. Recommendations

1. Council support the efforts of associations such as the Large Urban Mayors' Caucus of Ontario, Canadian Urban Transit Association and Ontario Public Transit Association, in their requests to the Federal and Provincial governments to help identify solutions to the challenges faced by public transit service providers due to COVID-19.
2. The Regional Clerk forward this report to the Minister of Transportation, Large Urban Mayors' Caucus of Ontario, Mayors and Regional Chairs of Ontario, Association of Municipalities Ontario, Canadian Urban Transit Association and Ontario Public Transit Association.

2. Summary

This report seeks Council support of the efforts made by associations such as Large Urban Mayors' Caucus of Ontario (LUMCO), Canadian Urban Transit Association (CUTA) and Ontario Public Transit Association (OPTA) to help voice to the Federal and Provincial governments the impacts of COVID-19 and the struggle municipalities are facing to maintain operations during challenging times.

Key Points:

With input from Canadian transit agencies including York Region Transit (YRT), a series of asks of the federal and provincial governments were developed. The primary focus is on the provision of emergency funding to keep front-line services running for essential workers and dependant segments of the population, and to continue to move forward with important transit capital infrastructures projects. These include:

- Provide \$400 million per month in funding to replace lost farebox revenues for transit systems and to further support transit systems that have lost non-farebox revenues
- Provide access to up to \$1.2 billion in emergency relief funding for transit systems that will face liquidity challenges in the coming weeks and months

- Place transit systems on the priority list for procurement of cleaning agents, disinfectants and Personal Protective Equipment (PPE) for operators and reimburse transit systems for the costs of these unforeseen expenses once the pandemic is over
- Make strategic investments in transit infrastructure to support the jobs, research and development spending and supply chains that will underpin the post-pandemic recovery
- Approve all pending Investing in Canada Infrastructure Plan projects without delay, provide extensions to the Public Transit Infrastructure Fund phase 1 deadline for project proponents, lock in the permanent transit fund with proposed annual investments of up to \$3.4 billion per year and consider bringing the launch of this fund forward

3. Background

Large Urban Mayors' Caucus of Ontario and Canadian Urban Transit Association have been communicating the financial impact of COVID-19 on public transit to the federal and provincial governments

Public transit is a necessary service for millions of people across the country, including seniors, healthcare workers and vulnerable populations. During the pandemic, many citizens need to access public transit to buy food, help loved ones who are self-isolating and get to work to keep critical services operating.

In seeking to educate various levels of government on the impacts of COVID-19 on transit systems, agencies such as CUTA and OPTA, with the support of LUMCO and the Association of Municipalities of Ontario, are painting a clear and compelling picture to the government about the importance of keeping transit running and the cost to do so.

In a letter sent to the federal government on March 30, 2020 (Attachment 1), CUTA urged that they work with the provinces and territories to provide millions of dollars each month to replace lost revenues due to the pandemic. CUTA also pressed for billions in relief funding for transit systems facing liquidity challenges to support the procurement of cleaning agents and disinfectant and to inject stimulus for capital projects to underpin Canada's economic recovery.

On April 7, 2020, Minister Caroline Mulroney's staff and OPTA's Executive Board met to discuss current and future challenges facing public transit providers in Ontario.

Subsequently, on April 9, 2020, LUMCO sent a letter to Minister Mulroney requesting a similar approach to solving municipal public transit challenges (Attachment 2).

4. Analysis

Transit ridership has declined by approximately 80% across the country, including within York Region

Following the direction of federal and provincial Public Health agencies and the mandatory closure of all non-essential businesses, many citizens are working from home. As a result, transit ridership across the country has decreased by approximately 80%.

Transit services continue to operate as the provinces have identified them as an essential service. To manage growing costs and loss of revenue due to COVID-19, transit agencies have reduced services to better match traveller demand, while providing enough buses to support physical distancing for citizens who need to use public transit.

CUTA and OPTA are tracking the impacts of COVID-19 on transit and reporting information to the federal and provincial governments. National and provincial surveys taken highlight the magnitude of the COVID-19 impacts on transit services.

CUTA's survey identified significant revenue shortfalls due to a loss of ridership and much higher than regular cleaning and disinfecting costs. Some transit systems also face liquidity emergencies in the coming month. An 80% decline in ridership is equivalent to \$301 million in lost monthly revenues.

Approximately 70% of transit agencies are experiencing difficulties in sourcing materials to continue providing safe environments during the COVID-19 response period.

Organizations such as LUMCO, CUTA and OPTA would like to see stimulus investments brought forward now. This action would convey to the private sector the federal government's commitment to transformative and sustainable transportation options for Canadians, and provide a welcome signal to our innovative manufacturers and suppliers to help them recover.

OPTA's survey includes responses from 36 Ontario transit agencies. Based on the survey results, municipalities will have lost approximately \$55 million of total revenue by the end of March and can expect a loss of \$366 million of total revenue from April to June. This number is likely to be higher, as not all transit agencies participated in the survey. In addition to revenue loss, extra cleaning costs totalled approximately \$11.5 million by the end of March 2020.

YRT is actively participating in the efforts of CUTA and OPTA. Staff is tracking the financial impact of COVID-19 on the Region. By the end of May 2020, estimates indicate YRT will have a net operating budget shortfall of \$7.7 million.

The Minister of Transportation has requested the Ontario Public Transit Association to report expected shortfalls in transit fare revenue through to August 2020

The Minister of Transportation requested OPTA to consolidate expected fare revenue shortfall on a municipality-by-municipality basis. This information is to assist the Ministry of Transportation to better understand the local and regional impacts of reduced transit ridership due to COVID-19 and the requirement by transit agencies that traveller's board via the middle or rear doors to reduce the risk of the bus driver contracting the virus.

Transit agencies' have been asked to provide OPTA revenue shortfalls in absolute terms and as a percentage of the municipal total, net of fuel, and service reduction savings.

York Region Transit has been operating at approximately 55% of normal service levels since April 5, 2020

York Region Transit weekday service now resembles Saturday service, with enhancements. These include the operation of some routes not normally in service on a Saturday due to traveller need, and additional buses added to routes experiencing higher ridership to support physical distancing. Staff has also implemented service changes previously approved by Council as part of the 2020 operating budget.

YRT and its contractors have worked together to implement provisions that protect bus drivers and travellers. These include increased cleaning precautions for buses and terminals, stations, and bus garages as well as installation of barriers for physical distancing between bus drivers and passengers, new boarding procedures requiring travellers to embark via mid and rear doors and asking travellers to pay fares before boarding, and ensuring there are enough buses in service to accommodate passenger physical distancing.

Impact of service reductions on contractor unionized employees is being mitigated in consultation with their unions

In YRT's case, operation and maintenance contractors worked amicably with their representing unions to negotiate an employment scenario acceptable to both parties. YRT's contractors are applying for the Canadian Emergency Wage Subsidy Program as they believe, with the service reductions implemented on April 5, 2020, they meet the criteria. As opposed to bus driver lay-offs, the contractors implemented a workshare program that would position their employees to allow them to earn approximately 90% of their current income. In addition, their existing employee benefits would continue.

Any bus drivers initially laid off have been called back to work. Never-the-less, all contractors have received requests from full-time bus drivers for voluntary lay-offs. Approximately 5% or about 35 of 730 bus drivers have chosen to take this option.

York Region Transit's contractor mechanics will not be laid off

Mechanics will be retained to continue preventative and proactive bus maintenance to ensure the YRT bus fleet remains in good operating condition and ready to resume full operation when needed.

5. Financial

It is estimated by the end of May 2020, York Region Transit will have a net operating budget shortfall of \$7.7 million due to the impact of COVID-19

By the end of May, the estimated impact of COVID-19 on fare revenue is a loss of \$14.6 million or about \$1.4 million weekly.

Staff effected service reductions have mitigated fare revenue losses. These reductions have reduced weekly operating costs by approximately \$878,000.

Other costs specific to COVID-19 include additional cleaning and disinfecting, estimated at \$400,000 or \$30,000 weekly.

Table 1

Estimated Financial Impact of COVID-19 by May 31, 2020

Description	January 1 to May 31, 2020 (\$M)	Current Average/Weekly impact (\$M)
Fare revenue loss due to reduced ridership and rear door boarding	14.60	1.40
Facility and Fleet Maintenance – additional cleaning and disinfecting costs	0.40	0.03
Service reduction – YRT implemented Enhanced Saturday service. Mobility-On-Request service cost, also reduced due to lower ridership	(7.30)	(0.88)
Tax levy impact	7.70	0.55

Staff will continue to track the financial impact of COVID-19 and refine these estimates with actuals when the information is available. Also under consideration are additional service

reductions to lower further operating costs while still meeting the demands of those needing transit for travel.

6. Local Impact

Public Transit is an essential service as deemed by the province. Continuing to provide transit services supports citizens across York Region who need to access public transit to buy food, help loved ones who are self-isolating and get to work to keep critical services operating.

7. Conclusion

The ability for municipalities to continue to operate public transit systems has deteriorated significantly due to the COVID-19 pandemic and the loss of fare revenue.

Transit agencies across the country are reaching out to the federal and provincial governments through agencies, such as CUTA, OPTA and LUMCO, for financial assistance to be able to continue operating services and invest in transit infrastructure to support jobs, research and development spending and the supply chains that underpin post-pandemic recovery.

Staff is seeking Council's support of the efforts made by these and other associations in voicing the impact of COVID-19 to the federal and provincial governments and to help identify solutions to the challenges faced by public transit service providers.

For more information on this report, please contact Ann-Marie Carroll at 1-877-464-9675 ext. 75677. Accessible formats or communication supports are available upon request.

Recommended by: **Paul Jankowski**
Commissioner of Transportation Services

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

April 28, 2020
Attachments (2)
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