

TO: CHAIR AND MEMBERS
EXECUTIVE COMMITTEE OF COUNCIL

DATE: 2020 Apr 30

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 2156 00
Reference: Covid-19 Financial Support

SUBJECT: FEDERAL FINANCIAL SUPPORT FOR TRANSIT OPERATIONS

PURPOSE: To request the federal government to provide financial support to transit operators, due to the COVID-19 pandemic.

RECOMMENDATIONS:

1. **THAT** Council support the federal funding request made by the Canadian Urban Transit Association.
2. **THAT** Council forward copies of this report to:
 - a. Burnaby School District Board;
 - b. Burnaby Board of Trade;
 - c. Burnaby Association for Community Inclusion;
 - d. Voices of Burnaby Seniors;
 - e. Simon Fraser University;
 - f. British Columbia Institute of Technology;
 - g. Mayors and Councils of all Metro Vancouver municipalities;
 - h. TransLink Mayors' Council;
 - i. TransLink Board;
 - j. Metro Vancouver Board;
 - k. Fraser Health Authority;
 - l. Union of British Columbia Municipalities;
 - m. BC Minister of Transportation and Infrastructure;
 - n. Canadian Urban Transit Association;
 - o. Federation of Canadian Municipalities;
 - p. Prime Minister of Canada;
 - q. Canada Minister of Transport;
 - r. Canada Minister of Finance; and,
 - s. Marvin Rotrand, Councillor, City of Montréal.

REPORT

1.0 INTRODUCTION

At the 2020 April 27 Council meeting, Council referred a letter received by Mayor Hurley to the Executive Committee. The letter was from Marvin Rotrand, a Councillor for the City of Montreal. The letter requested support for the position taken by the Canadian Urban Transit Association (CUTA) regarding the funding and viability crisis faced by transit operators nation-wide in light of the COVID-19 pandemic. This report provides background for the Committee's consideration.

2.0 POLICY SECTION

This report aligns with the following goals and sub-goals of the *Corporate Strategic Plan*:

- A Safe Community
 - Transportation safety –
Make City streets, pathways, trails and sidewalks safer
- A Connected Community
 - Social connection –
Enhance social connections throughout Burnaby
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments
 - Geographic connection –
Ensure that people can move easily through all areas of Burnaby, using any form of transportation
- A Healthy Community
 - Healthy life –
Encourages opportunities for healthy living and well-being
 - Healthy environment –
Enhance our environmental health, resilience and sustainability
- A Dynamic Community
 - Economic opportunity –
Foster an environment that attracts new and supports existing jobs, businesses and industries

3.0 BACKGROUND

The COVID-19 pandemic has caused social and economic disruption throughout our society. As a result, there has been an abrupt and steep decline in the number of trips being made. Many people work from home (or not at all) and discretionary trips have largely vanished. The scale of this decline is unprecedented.

This has had a particular impact on transit operators. Fare revenues have declined with ridership. A further decline has come because many agencies (such as TransLink) have eliminated fare collection on buses, for employee and public health reasons. TransLink also receives significant revenues from a motor fuel sales tax, and those revenues have been severely impacted by the steep decline in vehicular travel.

The request received by Mayor Hurley is for support of CUTA's position on federal aid for transit. CUTA's position is outlined in a series of press releases between March 19 and April 23. These indicate that:

- Transit ridership is down between 85 and 90 percent on most systems in Canada;
- Farebox revenue has declined even more, since some systems have gone to rear-door boarding (and no fare collection) to protect driver health;
- There are additional expenses associated with vehicle cleaning;
- Transit is a vital public service that brings essential workers to their jobs and allows for other essential trip purposes;
- Transit operators have begun, or are planning, major layoffs to reduce costs; and,
- Other countries have included transit in their pandemic relief packages.

On this basis, CUTA is requesting that the federal government provide transit operators with \$400 million monthly to cover lost farebox revenue (though not other revenue declines). This position has also recently been endorsed on 2020 April 23 by the Federation of Canadian Municipalities.

4.0 DISCUSSION

An efficient and desirable transit system is one of the foundations on which the successful modern city is built. It is vital to the economic, social, and environmental health of the community. It provides mobility for people in essential jobs. Transit is accessible to a broader range of income levels than driving, allows our roads to move more people in less space, supports our economy, and emits a lower volume of greenhouse gases and other pollutants. It creates a more livable community by enhancing equity and reducing the physical, economic, and environmental footprint of transportation. Burnaby's emerging *Transportation Plan* relies even more heavily on transit, without which other goals are not achievable.

Transit is facing a financial crisis today that is severe and prolonged. Revenues will not rebound as rapidly as they fell; some people will seek out other modes, such as driving, that allow for greater physical separation. Others will return to transit, but there may be an ongoing need for transit vehicles to carry fewer people and to maintain distances between passengers. Transit operators may thus need more vehicles and employees to carry the same number of people, therefore increasing agency costs. Any attempt to recover costs by increasing transit fares would be counter-productive, pushing more people into cars and disproportionately impacting people with lower incomes.

To: *Executive Committee of Council*
From: *Director Planning and Building*
Re: *Federal financial support for transit operations*
2020 April 30 Page 4

5.0 RECOMMENDATIONS

Transit service is vital to cities. This report has described the current financial crisis being faced by transit systems across Canada.

It is recommended that the Committee request Council to support the federal funding request made by the Canadian Urban Transit Association; and, forward copies of this report to:

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- b. Burnaby Board of Trade;
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- o. Federation of Canadian Municipalities;
- p. Prime Minister of Canada;
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- r. Canada Minister of Finance; and,
- s. Marvin Rotrand, Councillor, City of Montréal.



E.W. Kozak, Director
PLANNING AND BUILDING

SR:tn

cc: City Manager
Director Engineering
Director Corporate Services
Director Finance