

Framework for Transit Funding Needs Associated with Service Requirements

Recommendation:

That the January 25, 2011, Transportation Department report 2011TD8464 be received for information.

Report Summary

This report provides information on funding options for transit service operations. Funding sources available to other Canadian transit systems is documented.

Previous Council/Committee Action

At the June 15, 2010, Transportation and Public Works Committee meeting, the following motion was passed:

That Administration provide a report to Transportation and Public Works Committee on a broader framework/model for consideration of funding needs associated with service requirements, incorporating traditional tax levy and alternative sources of funding, including best practices in other jurisdictions.

Report

With respect to the operating budget for transit services, the sources of funding available to Edmonton Transit are through the tax levy, as well as farebox and advertising revenues. Many provinces, including Alberta, provide unconditional municipal operating grants, which in whole or in part can be

used to subsidize transit systems. There are no specific provincial or federal transit grants available to supplement Edmonton Transit's operating budget.

In 2009, the Canadian Urban Transit Association published the document "Federal, Provincial & Territorial Funding of Public Transit in Canada: A Compendium" (Attachment 1). This report lists the sources of operating and capital funding available to transit systems in all provinces and major Canadian cities. Alternative operating revenue sources available to other cities included:

- Metro Vancouver – tax transfers and tax room available to TransLink. TransLink is also permitted to levy new transportation related charges, such as charges on motor vehicles, benefiting area charges (for new facilities) and tolls on new facilities. Other revenue sources available to TransLink include fuel tax, hydro levy and parking site tax.
- Winnipeg – unconditional provincial operating grant of \$25 million in 2008 for transit services including Handi-Bus.
- In Ontario, dedicated provincial gas tax revenue is available for operating and capital expenditures.
- Montreal – operating budget revenue sources include \$30 per year from each vehicle licensed in the region and \$0.015 per litre of gas sold in the region. Further provincial operating subsidies are also provided.

Policy

- Transportation Master Plan – The Way We Move

Attachments

1. Federal, Provincial & Territorial
Funding of Public Transit in Canada:
A Compendium